



53<sup>rd</sup>  
Annual Report  
2022-2023



Engineered and built to last

**SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED**



**BOARD OF DIRECTORS**

Mr Milind S Thakker	Chairman
Mr Inder Mahadevan	Independent Director
Mr Jasjiv Sahney	Independent Director
Mr Apparao Mallavarapu	Independent Director
Mr Udayant Malhoutra	Independent Director
Mr Ramanathan Narayanan	Managing Director

**Company Secretary**

**Ms Sunitha K S**

**Auditors**

**M/s N R Rajagopalan & Co.  
Chennai – 600 018**

**Bankers**

**State Bank of India**

**Registered Office**

**P.B 4802, Whitefield Road, Bengaluru 560 048, Karnataka**

**Factories**

**Bengaluru : Whitefield Road, Bengaluru 560 048**

**Mysuru: Hebbal Industrial Area, Mysuru 570 018**

**Hyderabad: Industrial Park, Patancheru, Hyderabad 502 319**

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**SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED**

**CIN: U74210KA1973PLC002424**

Registered Office: Post Box No.4802, 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 53<sup>rd</sup> ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 53rd Annual General Meeting of the Members of SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED., will be held on Thursday, the 17<sup>th</sup> day of August 2023, at 11.30 A.M (IST) at the Registered Office of the Company at Post Box No.4802, Whitefield Road, Bengaluru -560 048, Karnataka 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 2023 and the Reports of the Auditors and Board of Directors thereon.
2. To declare a Dividend of ₹4/- per share for the financial year ended March 31, 2023.
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.

**SPECIAL BUSINESS**

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Act, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Ramanathan Narayanan (DIN: 06681365) as the Managing Director of the Company for a period of three years from 7th February, 2023 to 6th February, 2026 on the remuneration and other terms and conditions of appointment as set out below:



### **Remuneration:**

#### **Salary:**

₹ 6,00,000/- (Rupees Six Lakhs) per month.

The annual increments may be granted as may be decided and approved by the Nomination and Remuneration Committee and the Board of Directors based on evaluation of his and Company's performance.

#### **Perquisites and benefits:**

- House Rent Allowance or Reimbursement of House Rent for one house subject to a ceiling of 50% of Salary.
- Leave Travel Concession to the extent of one month's salary for self and family, once a year as per Company Rules.
- Club facility for a maximum of two clubs.
- Company maintained car with driver.
- Telephone and other telecommunication facilities at residence.
- Contribution to Provident Fund and Superannuation Fund as per Company Rules.
- Gratuity as per Scheme of the Company.
- Casual and Privilege leave as per Company Rules. Leave not availed of may be en-cashed as per Company Rules.
- Medical insurance for the family and Personal Accident Insurance Coverage as per Company Rules.

#### **Performance Incentive:**

In addition to the salary, he shall be entitled to commission / performance incentive as under:

1% of net profits of the Company if profits are less than ₹ 10 Crores.

1.5% of net profits of the Company if the profits are greater than ₹ 10 Crores and less than ₹ 20 Crores.

2% of net profits of the Company if the profits are greater than ₹ 20 Crores.

#### **Others:**

The contract may be determined by giving three months' notice in writing in that behalf by either party.

**FURTHER RESOLVED THAT** in the event of the Company not having profits or its profits are inadequate during any financial year during the tenure of the Managing Director, the Company shall pay to Mr. Ramanathan Narayanan the above remuneration including annual increments, allowances and perquisites, as may be decided and approved by the Nomination & Remuneration Committee and Board of Directors based on the performance, as a minimum remuneration, subject to overall limits specified in this behalf under Schedule V of the Act.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Nomination and Remuneration Committee and/or the Board of Directors be and are hereby authorized to vary the terms of appointment including remuneration as may be agreed to between the Company and the Managing Director and to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, and proper in the best interest of the Company”

#### 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 ₹ 1.00 lakh (₹ 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 31<sup>st</sup> March 2024.”

By Order of the Board

**SUNITHA K S**  
Company Secretary  
Membership No A15358

Date: 22<sup>nd</sup> June 2023

**Registered Office:**  
Whitefield Road  
Bengaluru 560 048

### NOTES:

1. Relevant Explanatory Statement pursuant to Sec 102(1) of the Companies Act, 2013 (the Act), for item No 4 & 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 dividends is available on the website [www.san-engineering.com](http://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 53rd Annual General Meeting (AGM) and the Annual Report 2022-23 will be available on Company's website [www.saa-engineering.com](http://www.saa-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 to 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](http://www.san-engineering.com) for download.
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 12<sup>th</sup> August 2023 to 17<sup>th</sup> August 2023, both days inclusive.
18. Dividend, if declared, will be payable on or before 15<sup>th</sup> September 2023 to the member whose names appear in the register of members of the Company as on 11<sup>th</sup> August 2023.
19. The Company has appointed Canbank Computer Services Ltd, R & T Centre, No 218, J P Royale, 1<sup>st</sup> Floor, 2<sup>nd</sup> Main, Sampige Road, Malleswaram, Bengaluru 560 003, (Phone nos: 080 23469661-64, Fax 080 23469667; Email [canbankrta@csl.co.in](mailto: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, dividends, 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 53<sup>rd</sup> AGM for the financial year ended 31st March, 2023 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 Canbank Computer Services Ltd (in case of shares held in physical form). Even after registering for e-communication, 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](mailto: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, 2023 will also be hosted on the Company's website [www.san-engineering.com](http://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 4 and 5 of the Notice.

**Item No 4**

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on 21<sup>st</sup> December 2022 re-appointed Mr. Ramanathan Narayanan as the Managing Director of the Company for a further period of three years from 7<sup>th</sup> February 2023 to 6<sup>th</sup> February 2026, subject to the approval of the shareholders at this Annual General Meeting ("AGM")

Mr. Ramanathan Narayanan is a BE (Hons) in Mechanical Engineering from Madras University and holds post graduate diploma in materials management. He has also attended advanced management programmes at IIM, Ahmedabad, Amrita University, and the University of Michigan. Mr Ramanathan Narayanan has joined the Company during 2010 as Chief Executive Officer with overall responsibility for the business operations of the organization. He was inducted into the Board of Directors of the Company and appointed as the Managing Director with effect from 7<sup>th</sup> February 2020 for a period of three years. During his tenure as CEO and thereafter as Managing Director, he has steered the growth of the Company into a multi products manufacturing company, especially in Rail Vehicle front. Keeping in view that he has a rich and varied experience of over 41 years, it would be in the interest of the Company to appoint him as the Managing Director of the Company.

Mr. Ramanathan Narayanan does not hold any shares in the Company.

The terms contained in the resolution shall constitute the written memorandum setting out the terms of appointment. The approval of the members is being sought for the said re-appointment of Mr. Ramanathan Narayanan as the Managing Director and the remuneration payable to him for a period of three years from 7<sup>th</sup> February 2023 to 6<sup>th</sup> February 2026. Board recommends the Ordinary Resolutions set out as Item No 4 of the Notice for approval.

Except Mr. Ramanathan Narayanan, since the resolution relates to his appointment, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution No 4.

**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 22nd June 2023 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 2023-24 at a remuneration of ₹1.00 lakh plus 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

**SUNITHA K S**  
Company Secretary  
Membership No A15358

Date: 22<sup>nd</sup> June 2023

**Registered Office:**  
Whitefield Road  
Bengaluru 560 048

**DIRECTORS' REPORT**

Your Directors are pleased to present the 53<sup>rd</sup> Annual Report on the performance of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2023.

**FINANCIAL RESULTS**

(₹ in Crore)

<b>Particulars</b>	<b>Current Year 2022-2023</b>	<b>Previous Year 2021-2022</b>
Net Sales and Other Income	200.40	137.33
Profit before Finance Cost, Depreciation and Taxes	31.74	17.92
Less: interest and Financial Charges	0.88	1.08
Depreciation	5.64	5.73
Profit Before Tax	25.22	11.11
Less: Taxes	6.52	2.93
Profit for the period	18.70	8.18
<b>Amount available for Appropriation</b>	<b>39.04</b>	<b>30.78</b>
<b>Appropriations</b>		
Transfer to General Reserve	10.00	10.00
Dividend on Equity Shares	1.78	1.34

**Dividend**

The Board has recommended a dividend of ₹ 4/- per equity share i.e., 40 % of nominal value of ₹ 10/- each for the financial year ended 31<sup>st</sup> March, 2023. The dividend if approved by the Members in the ensuing Annual General Meeting would involve a cash outflow of ₹ 1.78 Crore.

**Change in Nsture of Business:**

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

**Transfer to Reserve**

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

**Perfomance of the Company**

The Company posted a Net Sales Turnover and other Income of ₹ 200.40 Crore for the financial year 2022-23 as compared to ₹ 137.33 Crore for the year 2021-22. The corresponding profit before tax was ₹ 25.22 Crore against ₹ 11.11 Crore posted in the previous year.



The highlight of the performance of the year 2022-23 was the supply of 17 numbers of shunting locomotives, 7 power packs for High-Speed Accident Relief Trains (HS SPART) to ICF, 5 Camp Coaches to LORAM to be used along with the Bail grinders in Indian Railways and 535 sets of gears and pinions to Alstom for their locomotives built in India.

### Current Year

The Company opened the financial year with an order backlog of over ₹ 491 Crores. This includes orders for the supply of locomotives, Diesel Electric Tower Cars (DETC), Rail Borne Maintenance Vehicles (RBMV), Worksite Tampers, Diesel Hydraulic Multiple Units (DHMU), 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 RD50 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.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, in its meeting held on 21<sup>st</sup> December 2022 has re-appointed Mr. Ramanathan Narayanan as the Managing Director of the Company for a further period of three years from 7<sup>th</sup> February, 2023 to 6<sup>th</sup> February, 2026.

### 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. 39 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 2023 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 31<sup>st</sup> March 2023 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 have 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 16<sup>th</sup> July 2022, 31<sup>st</sup> October 2022, 21<sup>st</sup> December 2022 and 31<sup>st</sup> March 2023. Number of Board Meetings attended by directors is as under:

<b>Name of Director</b>	<b>Number of Board Meetings held</b>	<b>Number of Board Meetings attended</b>
Mr. Milind S Thakker	4	4
Mr. Inder Mahadevan	4	3
Mr. Jasjiv Sahney	4	4
Mr. Apparao Mallavarapu	4	2
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 the audit committee met three times on 16<sup>th</sup> July 2022, 21<sup>st</sup> December 2022 and 31<sup>st</sup> March 2023 to review the audited accounts and other matters referred to the Committee.

### 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.

The CSR policy adopted by the Board and the constitution of CSR committee are available on the website of the Company [www.san-engineering.com](http://www.san-engineering.com). During the year under review the CSR committee meeting was held on 16<sup>th</sup> July 2022 to approve CSR budget and also to review the 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 2022-23 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

The Committee met once on 21<sup>st</sup> December 2022 to consider and recommend the re-appointment of Managing Director and other matters referred to the Committee.

### 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](http://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 2022-23.

### Report on the performance and financial position of Subsidiaries

The Company has two wholly owned subsidiary companies namely San Motors Limited and San Rolling Stock Services Limited as on 31<sup>st</sup> March 2023. During the year under review the Company increased its investment in SAN Motors Limited from 99.16% to 100%.

A report on the performance and financial position of these subsidiary companies is provided in the note no. 41 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.

During the year under review, the Company acquired Ventra Locomotives, a division of Sonmil Engineering Private Limited located in Hyderabad and engaged in the business of manufacturing shunting locomotives and rail vehicles.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the subsidiary company are available on the website of the Company [www.san-engineering.com](http://www.san-engineering.com).

### 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 2022-23 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 31<sup>st</sup> March 2023 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 31<sup>st</sup> March 2023, in the prescribed format is available on the website of the Company [www.san-engineering.com](http://www.san-engineering.com)



**Internal financial controls with reference to financial statements**

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

At the AGM held on 30<sup>th</sup> August 2022, M/s N R Rajagopalan & Co, Chartered Accountants (Firm Registration No. 0034005) were appointed as statutory auditors of the Company for a period of five years. Accordingly, they hold the office of Statutory Auditors till the conclusion of Annual General Meeting in the calendar year 2027.

**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, 2023. 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, 2023.

**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, 2023, 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 2023-24. 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.
- Indigenously developed Roof mounted Radiators for all Self-Propelled Coaches of Indian Railways.
- Indigenously developed Lifting and Swiveling Platforms for Diesel Electric Tower Cars of Indian Railways.

**New Products under development:**

- Design of Rail Borne Maintenance Vehicle for Indian Railways.
- Design & Development of Rail Inspection Vehicles for dedicated freight corridors.
- Design & Development of Camp Coaches for Dedicated freight corridors.
- Design of Inspection Car, Track Recording Car and OHE Recording Car Vehicles.

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:**

	<b>Rs. In Crore</b>
Capital	0.00
Recurring	1.30
Total	<b>1.30</b>
Total R & D Expenditure as a Percentage Of Total Turnover	<b>0.65%</b>

**(C) Foreign Exchange Earnings & Outflow:**

	<b>Rs. In Crore</b>
i) Foreign Exchange Earned: Export of goods on F.O.B basis	1.57
ii) Outflow of Foreign Exchange: Raw Materials/ Spares	14.73
Expenditure on Traveling and Others	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 Board wish to place on record their sincere appreciation of the co-operation and the assistance extended by the Company's bankers, Government and Non-Government agencies. The Board also express their sincere gratitude to its customers, vendors and other business associates for their continued support in the Company's growth journey. The Board also place on record their appreciation of the dedicated services rendered by the executives, staff and workers at all levels. The Board wish to express its sincere gratitude for the continued co-operation and support received from its valued shareholders.

For and on behalf of the Board

**MILIND S THAKKER**  
Chairman  
DIN : 00617882

Bengaluru  
22<sup>nd</sup> June 2023

## 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](http://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 ₹)	Amount required to be set-off for the financial year, if any (in ₹)
-	-	NIL	NIL

## SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED

6. Average net profit of the Company as per Section 135(5): ₹ 11.98 Crore.
7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 23.96 lakh  
 (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): ₹ 23.96 lakh
8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the Financial Year (₹/lacs)	Amount Unspent (₹/lacs)				
	Total Amount transferred to Unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VI as per second provision to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
25.46	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:

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 (₹/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	11.21	No	SGBS Trust, SOS Children's Villages Social Assn for Help National Association for the Blind	CSR00011766 CSR00000692 CSR00007500 CSR00002631
2	Education: Teachers to government schools & other assistance	(ii)	Yes	Karnataka	Bangalore	1.98	Yes	Directly by the Company	N.A.
3	Eradication of hunger: Distribution food kits / meals	(i)	Yes	Karnataka	Bangalore	4.05	No	Alchaya Patra Foundation Prasanna Trust	CSR00000286 CSR00000696
4	Support for cataract surgeries.	(ii)	Yes	Karnataka	Bangalore	3.00	No	Senikara Eye Foundation	CSR00003159
5	Tree planting and Agro forestry	(iv)	Yes	Karnataka	Bangalore & Mysore	5.22	No	Isha Outreach, Girija Shastri Memorial Trust (Admarnya Charana)	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+8h+8c+8d): ₹ 25.46 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 three years: NIL  
 Amount transferred to 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, the address etc: Not Applicable  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of capital Asset: 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

For and on behalf of the Board

**MILIND S THAKKER**  
 Chairman of CSR Committee  
 DIN: 00617882

**RAMANATHAN NARAYANAN**  
 Managing Director  
 DIN : 06681365

Bengaluru  
 22<sup>nd</sup> June 2023



**Annexure B to Board's Report**

**Form No AOC-2**

(Pursuant to clause (h) of Sub-section (3) of section 184 of the Companies Act 2013 and Rule 2(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 arm's length transactions under third proviso thereto:

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

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2022-23.

**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	Sah Motors Ltd	Rent Contract	Three years	Rent received for the factory shed at 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 ₹ 348.00 lakh during the year.	16th July, 2022	NIL
II	Sah 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 ₹ 113.30 lakh	16th July, 2022	NIL
iii	Sonmil Engineering Pvt Ltd	Supply of material	On going	Sale of material valued at ₹ 286.00 lakh during the year.	16th July, 2022	NIL
iv	Importex International Pvt Ltd	Service contract	On going	Service contracts valued at ₹ 15.12 lakh during the year.	16th July, 2022	NIL
v.	Sonmil Engineering Pvt Ltd	Business Transfer Agreement	One Time	Purchase of Vendra locomotive business for ₹ 8.50 Crore	21st December, 2022	NIL
vi.	Sonmil Engineering Pvt Ltd	Rent Contract	5 years	Leasing factory premises at Hyderabad ₹ 6 lakh during the year	21st December, 2022	NIL

For and on behalf of the Board

**MILIND S THAKKER**  
Chairman of CSR Committee  
DIN: 00617882

**RAMANATHAN NARAYANAN**  
Managing Director  
DIN : 06681365

Bengaluru  
22<sup>nd</sup> June 2023

## Annexure C to Board's Report

## Statement of particulars of employees

(Pursuant to sub rule 2 of rule 5 of Chapter XIII/ Section134 of the Companies Act 2013)

Name of the employee/(Age)	Designation	Remuneration Received	Nature of Employment	Qualifications/Experience	Date of Commencement	Last employment held	% of Equity shares held	Whether Employee is a relative of director / manager
Ramanathan Narayanan (64 Yrs)	Managing Director	₹ 148.97 lacs	Contractual	B.E. (Mech), PGDMM (41 Yrs)	19-02-2010	CEO, ICIL	NIL	NO

## 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 ₹/lacs

Sl No	Name of the Subsidiary Company	The date close 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	136.04	279.88	279.89	272.50	89.68	21.77	67.91	Nil	100.00%
2	San Motors Ltd	18-08-2018	Apr - Mar	INR	250.00	531.09	915.10	915.10	524.73	-20.10	0.27	(20.37)	Nil	100.00%

Part "B" Associates and Joint Ventures:

The Company does not have any Associate or Joint Venture.

For and on behalf of the Board

**MILIND S THAKKER**  
Chairman of CSR Committee  
DIN: 00617882

**RAMANATHAN NARAYANAN**  
Managing Director  
DIN : 06681365

Bengaluru  
22<sup>nd</sup> June 2023

## INDEPENDENT AUDITORS' REPORT

To the Members of SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2023, the statement of Profit and Loss 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 Standards prescribed under section 133 of the Act read with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2023, its Profit and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Information other than the Financial Statements and Auditors' Report thereon

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 financial statements or our knowledge obtained during the course of 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.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(S) 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 is 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to the financial statements 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (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 relevant books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2023 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
  - (g) 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.
  - (h) 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, as amended, 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 as at 31<sup>st</sup> March, 2023 which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **N R RAJAGOPALAN & CO.**  
Firm Registration No.0034005  
Chartered Accountants

**K.G. PURUSHOTHAMAN**  
Membership No.028537  
Partner

Place : Chennai  
Date : 22nd June 2023  
UDIN: 23028537BGPMA05558

### **"Annexure A" to Independent Auditor's Report"**

Referred to in paragraph 1(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 145 of the Companies Act, 2013 ("the Act")**

#### **Opinion**

We have audited the internal financial controls over financial reporting of **SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED** ("the Company") as of 31<sup>st</sup> March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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



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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting 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.

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

**K.G. PURUSHOTHAMAN**  
Membership No.028537  
Partner

Place : Chennai  
Date : 22nd June 2023  
UDIN: 23028537BGPMAD5558

**“Annexure B” to independent Auditor’s Report**

**On The Financial Statements of SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED**

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

in terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment, capital work-in-progress.
  - B. The Company has maintained proper records showing full particulars of intangible assets.
- (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.
- (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties disclosed in the financial statements included in property, plant and equipment, capital work-in-progress are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the Order are not applicable to the company.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, the provisions of Clause (i)(e) of paragraph 3 of the Order are not applicable to the company.
- (ii) (a) in our opinion, physical verification of inventory has been conducted at reasonable intervals by the management and the coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed on such verification.
  - (b) The Company has the working capital limits of ₹.75 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.

- (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. These unsecured loans has been fully repaid during the year. The outstanding balance as on 31<sup>st</sup> March 2023 is NIL. There are no firms/Limited Liability Partnersbip/other parties covered in the register maintained under Section 189 of the Act.
- iv) Based on our audit procedures and accordiog to the information and explanatioo given to us, the Company has complied with the provisions of Sections 185 and 186 of the Compaaios Act, 2013 in respect of grant of loans, making investments and providiog guarantees, and securities as applicable.
- v) Based on our audit procedures and accordiog to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.
- vi) The maintenance of cost records 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 maiotained by the Company under the Act and are of the opinion that Prima facie, the prescribed accouuts and records have been made and maiotained. However, we have oot carried out a detailed examination of the accounts and records with a view to determine wbether these are accurate and complete.
- (vii) (a) According to the ioformation and explanations gieve to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the informatioo and explanations given to us, and records of the Company examined by us, there were no undisputed amounts payable in respect of provident fund, employees' state insuraoce, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues were in arrears, as at 31<sup>st</sup> March 2023 for a period of more thao six months from the date they became payable. Therefore, the provisioos of Clause 3 (vii)(a) of the Order are not applicable to the Company.

(b)There are no dues relating to iocome tax / sales tax / service tax / duty of customs / duty of excise / value added tax, Goods and Services Tax (GST) which have not been deposited on account of any dispute. Therefore, the provisions of Clause 3 (vii)(b) of the Order are not applicable to the Compaoy.

- (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 loans or other borrowings or any interest due thereon to any lender during the year.
- (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 government or any government authority.
- (c) In our opinion and according to the information and explanation 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 is 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.
- (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 whistle blower 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 and 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 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 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

**K.G. PURUSHOTHAMAN**  
Membership No.028537  
Partner

Place : Chennai  
Date : 22nd June 2023  
UDIN: 230285378GPMAD5558

## BALANCE SHEET AS AT 31ST MARCH 2023

Particulars	Note No.	(₹ in Lakhs)	As at 31st March 2023 (₹ in Lakhs)	As at 31st March 2022 (₹ in Lakhs)
<b>I, EQUITY AND LIABILITIES :</b>				
<b>Shareholders' Funds :</b>				
Share Capital	2	445.00		445.00
Reserves and Surplus	3	21,411.86		19,674.98
			<b>21,856.86</b>	<b>20,119.98</b>
<b>Non Current Liabilities :</b>				
Deferred Tax Liabilities (Net)	4	-		11.69
Long Term Provisions	5	184.80		166.03
			<b>184.80</b>	<b>177.72</b>
<b>Current Liabilities :</b>				
Short Term Borrowings	6	-		7.40
Trade Payables	7			
Total outstanding dues of Micro & Small Enterprises		647.10		488.21
Total outstanding dues of creditors other than Micro & Small Enterprises		2,202.65		1,395.91
Other Current Liabilities	8	3,080.06		2,654.91
Short Term Provisions	9	1,023.00		918.00
			<b>6,952.81</b>	<b>5,464.43</b>
<b>Total</b>			<b>28,994.47</b>	<b>25,762.13</b>
<b>II, ASSETS :</b>				
<b>Non Current Assets</b>				
Property, Plant & Equipment, Intangible Assets	10			
Property Plant & Equipment		4,036.77		4,408.80
Intangible Assets		28.49		37.57
Capital Work in Progress		166.75		2.50
		4,232.01		4,448.87
Intangible Assets - Goodwill		25.09		-
Long Term Loans & Advances	11	1,342.57		1,630.97
Other Non Current Assets	12	182.52		217.90
Deferred Tax Asset (Net)	13	27.29		-
Non Current Investments	14	2,181.43		2,174.92
			<b>7,990.91</b>	<b>8,472.66</b>
<b>Current Assets</b>				
Current Investments	15	3,809.25		3,378.42
Inventories	16	7,072.35		6,094.72
Trade Receivables	17	8,098.97		6,400.50
Cash & Cash Equivalents	18	1,296.88		435.04
Short Term Loans & Advances	19	517.89		809.68
Other Current Assets	20	208.19		171.11
			<b>21,003.56</b>	<b>17,289.47</b>
<b>Total</b>			<b>28,994.47</b>	<b>25,762.13</b>
Significant Accounting Policies	1			
The accompanying notes are an integral part of the financial statements.				
As per our report of even date attached.		For and on behalf of the Board <b>SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED</b>		
For N R RAJAGOPALAN & CO., Firm Registration No. 0034005 Chartered Accountants		MIND S THAKKER Chairman DIN : 00617582	RAMANATHAN NARAYANAN Managing Director DIN : 06681365	
K G PURUSHOTHAMAN Membership No. 028537 Partner		SUNITHA K S Company Secretary M.No. A15358		
Place : Chennai		Place : Bengaluru		
Date : 22nd June, 2023		Date : 22nd June, 2023		

## SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	Note No.	Year Ended 31st March 2023 ( ₹ in Lakhs )	Year Ended 31st March 2022 ( ₹ in Lakhs )
<b>I. INCOME :</b>			
Revenue from Operations ( Gross )	21	23,428.78	15,842.39
Less : GST		3,622.69	2,258.51
Revenue from Operations ( Net )		19,806.09	13,583.88
Other Income	22	233.94	148.70
<b>TOTAL INCOME</b>		<b>20,040.03</b>	<b>13,732.58</b>
<b>II. EXPENSES :</b>			
Cost of Materials Consumed	23	10,337.31	7,415.61
Changes In Inventories of Work in Progress	24	164.70	(920.23)
Employee Benefit Expenses	25	3,207.88	2,985.01
Finance Costs	26	88.51	107.86
Depreciation and Amortization Expense		563.87	573.14
Other Expenses	27	3,155.34	2,460.28
<b>TOTAL EXPENSES</b>		<b>17,517.61</b>	<b>12,621.67</b>
Profit before Tax		2,522.42	1,110.91
Tax Expense :			
Current Tax		694.00	329.00
Excess / (Short) provision relating to prior years		(2.98)	-
Deferred Tax		(38.98)	(36.18)
Profit for the year		<b>1,870.38</b>	<b>818.09</b>
Earnings per Equity Share	28		
Basic		₹ 41.16	₹ 17.57
Diluted		₹ 41.16	₹ 17.57
The accompanying notes are an integral part of the financial statements.			
As per our report of even date attached.		For and on behalf of the Board SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED	
For N R RAJAGOPALAN & CO., Firm Registration No. 003400S Chartered Accountants		MILIND S THAXKER Chairman DIN : 00617882	RAMANATHAN NARAYANAN Managing Director DIN : 06681365
X G PURUSHOTHAMAN Membership No. 028537 Partner		SUNITHA X S Company Secretary M.No. A15358	
Place : Chennai		Place : Bengaluru	
Date : 22nd June, 2023		Date : 22nd June, 2023	



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

	2022-23	2021-22
	( ₹ in Lakhs )	( ₹ in Lakhs )
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extra ordinary items	2,522.42	1,110.91
Depreciation	563.87	573.14
Finance Cost	88.51	107.86
Interest Income	(84.77)	(84.54)
Dividend Income from Current Investments	(130.87)	(19.45)
Loss on Sale of Assets	0.02	-
Gain on Sale of Assets	(0.33)	(24.83)
	436.43	552.14
Operating Profit before Working Capital Changes	2,958.85	1,663.05
Adjustments for (Increase) / Decrease in Operating Assets		
Inventories	(977.63)	(1,122.91)
Trade Receivables	(1,698.47)	2,411.74
Short Term / Long Term Loans & Advances	590.48	709.04
Other Current Assets	(37.08)	(58.86)
	(2,122.70)	1,939.01
Adjustments for (Increase) / Decrease in Operating Liabilities		
Trade Payables	965.63	(851.81)
Short Term Borrowings / Provisions	97.60	(361.41)
Other Current & Long Term Provisions	443.92	262.07
	1,507.15	(951.15)
Cash Generated from Operations	2,343.30	2,650.91
Less : Direct Taxes Paid	694.00	329.00
Cash inflow before Extra Ordinary Items	1,649.30	2,321.91
Add: Excess / (Short) provision of prior Years	2.98	-
Net Cash Generated from Operating Activities (A)	1,652.28	2,321.91
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Property, Plant & Equipment	(347.64)	(176.52)
Proceeds from Sale of Property, Plant & Equipment	0.94	38.25
Proceeds from Sale / Redemption of Investments	(437.37)	(2,069.49)
Interest Income	84.77	84.54
Dividend Income from Current Investments	130.87	19.49
Net Cash used in Investing Activities (B)	(568.43)	(2,103.73)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Finance Cost	(88.51)	(107.86)
Dividend Paid	(133.50)	(44.50)
Net Cash used in Financing Activities (C)	(222.01)	(152.36)
Net Increase / (Decrease) in Cash and Cash equivalents (A + B + C)	861.84	65.82
Add : Cash & Cash Equivalents as at 1.4.2022	435.04	369.22
<b>CASH &amp; CASH EQUIVALENTS AS AT 31.3.2023 *</b>	<b>1,296.88</b>	<b>435.04</b>
* Comprises :		
a. Cash on hand	2.70	2.22
b. Balances with Banks :		
In Current Accounts	454.26	7.96
Unpaid Dividend	8.07	9.42
In Deposit Accounts	-	-
In Margin Money Accounts	831.85	415.44
	<b>1,296.88</b>	<b>435.04</b>

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

As per our report of even date attached.

For and on behalf of the Board  
SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED

For **M R RAJAGOPALAN & CO.,**  
Firm Registration No. 0034005  
Chartered Accountants

**MILIND S THAKKUR**  
Chairman  
DIN : 00637892

**RAMANATHAN NARAYANAN**  
Managing Director  
DIN : 06681366

**K G PURUSHOTHAMAN**  
Membership No. 028637  
Partner

**SUNITHA K S**  
Company Secretary  
M.No. A1535B

Place : Chennai  
Date : 22nd June, 2023

Place : Bengaluru  
Date : 22nd June, 2023

**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 were 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 administrated 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.

### NOTES TO THE FINANCIAL STATEMENTS

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





**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
<b>4. DEFERRED TAX LIABILITIES ( NET )</b>		
Deferred Tax Liability - Depreciation on Prperty, Plant & Equipment		
Opening Balance	-	86.33
Add / (Less) : Transfer to Statement of Profit and Loss	-	10.66
	-	75.67
Deferred Tax Asset - Depreciation on Property, Plant & Equipment		
Opening Balance	-	38.46
Add / (Less) : Transfer from Statement of Profit and Loss	-	25.52
	-	63.98
<b>TOTAL</b>	-	11.69
<b>5. LONG TERM PROVISIONS</b>		
Prpvision for Employee Benefits		
Leave Encashment	184.80	166.03
<b>TOTAL</b>	184.80	166.03
<b>6. SHORT TERM BORROWINGS</b>		
Secured		
Working Capital Loan from Banks :		
State Bank pf India	-	7.40
<b>TOTAL</b>	-	7.40
( 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 & Machinerries and Equitable Mortgage of immovable properties of Bengaluru Unit. There are no material discrepancies between the quarterly returns / statement of current assets filed by the Company with the Banks )		
<b>7. TRADE PAYABLES</b>		
Total outstanding dues of Micro & Small Enterprises	647.10	488.21
Total outstanding dues of Creditors other than Micro & Small Enterprises	2,202.65	1,395.91
<b>TOTAL</b>	2,849.75	1,884.12
<b>Details of Dues to Micro, Small &amp; Medium Enterprises as defined under MSMED Act, 2006</b>		
Principal Amount due to suppliers registered under MSMED Act and remaining unpaid as at year end	417.44	232.53
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 MSMLD Act, 2006	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beynd the appointed day during the peripd) but witnput 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 smallEnterprises for the purpose of disallowance as a deductible expenditure u/s 23 of MSMED Act, 2006	-	-

## NOTES TO THE FINANCIAL STATEMENTS

## For the year ending 31st March 2023

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	229.66	412.27	5.01	-	0.16	647.10
ii) Others	961.44	1,128.46	74.27	4.54	33.94	2,202.65
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>1,191.10</b>	<b>1,540.73</b>	<b>79.28</b>	<b>4.54</b>	<b>34.10</b>	<b>2,849.75</b>

## 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	-	-	-	-	-	-
<b>Total</b>	<b>886.35</b>	<b>946.68</b>	<b>17.18</b>	<b>18.71</b>	<b>15.20</b>	<b>1,884.12</b>

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
<b>8. OTHER CURRENT LIABILITIES</b>		
Advances from Customers	2,242.75	2,063.95
Accrued Salaries & Benefits	423.65	388.44
Unpaid Dividends	7.64	9.04
Statutory Dues	169.87	42.37
Provision for Expenses	202.09	142.60
Creditors for Capital Goods	21.89	-
Other Liabilities	11.97	8.51
<b>TOTAL</b>	<b>3,080.06</b>	<b>2,654.91</b>
<b>9. SHORT TERM PROVISION</b>		
Provision for Taxation	1,023.00	918.00
<b>TOTAL</b>	<b>1,023.00</b>	<b>918.00</b>

# SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

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

#### PROPERTY, PLANT & EQUIPMENT

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 1.04.2022	Additions / Adjustments	Deductions	As at 31.03.2023	Upto 31.03.2022	For the Year	Withdrawn/ Adjustments	Upto 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land Freehold	339.55			339.55	-	-	-	-	339.55	339.55
Buildings	1,416.99			1,416.99	416.18	37.74		453.92	963.07	1,000.81
Plant and Machinery	5,811.38	163.24	0.37	5,974.25	3,248.49	388.45	92.10	3,729.04	2,245.21	2,562.89
Computers	193.26	16.84	2.57	207.53	172.55	6.05	5.67	184.27	23.26	20.71
Furniture, Fixtures & Office Equipments	295.36	33.81	2.91	326.16	237.75	18.19	9.41	265.35	60.81	57.51
Electrical Installations	240.38	2.51		242.89	165.24	19.42		184.66	58.23	75.14
Patterns, Jigs & Fixtures	273.73	2.18		275.91	242.78	10.98		253.76	22.15	30.95
Vehicles	296.47	77.45		373.92	228.69	26.49	15.48	270.66	103.26	67.78
Tools	291.41	11.53		302.94	232.38	25.61		257.99	44.95	59.03
Test Track	286.72			286.72	92.29	18.15		110.44	176.28	194.43
<b>Total</b>	<b>9,445.15</b>	<b>307.56</b>	<b>5.85</b>	<b>9,746.86</b>	<b>5,036.35</b>	<b>551.08</b>	<b>122.66</b>	<b>5,710.09</b>	<b>4,036.77</b>	<b>4,408.80</b>
Capital Work in Progress < 1 Year	<b>2.50</b>	<b>164.25</b>		<b>166.75</b>				<b>0.00</b>	<b>166.75</b>	<b>0.00</b>
Previous Year Total	9,422.48	170.32	147.65	9,445.15	4,610.25	560.33	134.23	5,036.35	4,408.80	

#### INTANGIBLE ASSETS

Description of Assets	GROSS BLOCK			AMORTISATION			NET BLOCK			
	As at 1.04.2022	Additions / Adjustments	Deductions	As at 31.03.2023	Upto 31.03.2022	For the Year	Withdrawn/ Adjustments	Upto 31.03.2023	As at 31.03.2022	
Computers - Software	136.51	11.21		147.72	98.94	12.79	7.50	119.23	28.49	37.57
Previous Year Total	132.81	3.70		136.51	86.13	12.81		98.94	37.57	



## NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
<b>11. LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured Considered Good</b>		
Capital Advances	121.64	3.15
Intercompany Loans - Bydesign India Pvt Ltd *	-	180.00
Intercompany Loans - Velankani Electronics Pvt Ltd *	-	300.00
Tender Deposits	103.80	23.49
Tax payments pending Adjustments	1,117.13	1,124.33
<b>TOTAL</b>	<b>1,342.57</b>	<b>1,630.97</b>
( * Refer Note 39 to Financial Statements )		
<b>12. DEFERRED TAX ASSET ( NET )</b>		
Deferred Tax Asset - Depreciation on Property, Plant & Equipment		
Opening Balance	63.98	-
Add / (Less) : Transfer from Statement of Profit and Loss	24.07	-
	<b>88.05</b>	-
Deferred Tax Liability - Depreciation on Property, Plant & Equipment		
Opening Balance	75.57	-
Add / (Less) : Transfer from Statement of Profit and Loss	14.91	-
	<b>60.76</b>	-
<b>TOTAL</b>	<b>27.29</b>	-
<b>13. OTHER NON CURRENT ASSETS</b>		
Security Deposits	182.52	217.90
<b>TOTAL</b>	<b>182.52</b>	<b>217.90</b>
<b>14. NON CURRENT INVESTMENTS</b>		
Investments in the Equity Shares of Subsidiary Company SAN Rolling Stock Services Ltd., 10,00,000 Equity Shares of ₹ 10/- each Fully paid up { Market Value of Unquoted Investment ₹ 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., 25,00,000 Equity Shares of ₹ 10/- each Fully paid up { Market Value of Unquoted investment ₹ 20,81,43,300/- } The investment is a non-trade Investment in nature.	2,001.43	2,074.92
<b>TOTAL</b>	<b>2,181.43</b>	<b>2,174.92</b>
<b>15. CURRENT INVESTMENTS</b>		
<b>in Mutual Funds :</b>		
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 8,293.445 @ ₹ 10.26 each P Y 7,939.92E @ ₹ 10.26 each }	0.55	0.81
Canara Robeco Liquid Fund { C Y 95 Units @ ₹ 1004.39 each P Y 90.269 Units @ ₹ 1004.39 each }	0.95	0.91
SBI Liquid Fund Reg Growth { C Y 20445.875 Units @ ₹ 3273.2866 P Y 82919.117 Units @ ₹ 3242.2812 }	669.25	2,688.47
SBI Arbitrage Opportunities Fund { C Y 106,97,766.366 Units @ ₹ 27.5758 each P Y 18,36,691.418 Units @ ₹ 27.2228 }	2,950.00	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
<b>TOTAL</b>	<b>3,809.28</b>	<b>3,378.42</b>

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
<b>16. INVENTORIES</b>		
Raw Materials & Components	3,502.90	2,937.48
Stores & Spares	148.73	126.91
Goods In Transit	460.01	181.08
Work in Progress	2,960.71	2,849.25
<b>TOTAL</b>	<b>7,072.35</b>	<b>6,094.72</b>
<b>17. TRADE RECEIVABLES</b>		
Unsecured, Considered good	8,098.97	6,400.50
<b>TOTAL</b>	<b>8,098.97</b>	<b>6,400.50</b>

**For the year ending 31st March 2023**

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	4,798.40	2,089.68	277.82	361.49	339.11	232.47	8,098.97
ii) Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-	-	-
iii) Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-
iv) Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-
<b>Total</b>	<b>4,798.40</b>	<b>2,089.68</b>	<b>277.82</b>	<b>361.49</b>	<b>339.11</b>	<b>232.47</b>	<b>8,098.97</b>

**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	-	-	-	-	-	-	-
<b>Total</b>	<b>3,784.08</b>	<b>1,007.16</b>	<b>494.35</b>	<b>438.53</b>	<b>406.45</b>	<b>269.93</b>	<b>6,400.50</b>

**18. CASH & CASH EQUIVALENTS**

Cash on hand	2.70	2.22
Balances with Banks		
Current Accounts	454.26	7.96
Unpaid Dividend	8.07	9.42
Margin Money Accounts - maturity < 12 months	-	-
Margin Money Accounts - maturity > 12 months	831.85	415.44
<b>TOTAL</b>	<b>1,296.88</b>	<b>435.04</b>

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2023 ₹ in Lakhs	Year Ended 31.03.2022 ₹ in Lakhs
<b>19. SHORT TERM LOANS &amp; ADVANCES</b>		
Unsecured considered good :		
Prepaid Expenses	136.60	72.17
Advances & Loans to Employees	95.84	27.54
Balances with Government Authorities	65.05	559.83
Advances to Suppliers	220.39	129.48
Other Loans & Advances	0.01	20.66
<b>TOTAL</b>	<b>517.89</b>	<b>809.68</b>
<b>20. OTHER CURRENT ASSETS</b>		
Interest Accrued on Deposits	208.19	171.11
<b>TOTAL</b>	<b>208.19</b>	<b>171.11</b>
<b>21. REVENUE FROM OPERATIONS</b>		
<b>GROSS REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Locomotives	5,505.29	4,948.66
Power Pack to HS Spart	4,521.28	1,992.04
Power Pack to Others	-	583.44
Special Vehicles	4,316.41	1,759.18
Spare Parts	5,022.44	3,492.99
Engineering Products	2,851.61	2,098.54
	<b>22,617.03</b>	<b>14,874.85</b>
Sale of Services - Locomotive Services	803.41	962.35
Other Operating Revenue - Sale of Scrap	8.34	5.19
<b>TOTAL</b>	<b>23,428.78</b>	<b>15,842.39</b>
<b>NET REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Locomotives	4,663.06	4,251.08
Power Pack to HS Spart	4,110.95	1,749.51
Power Pack to Others	-	494.44
Special Vehicles	3,657.98	1,490.83
Spare Parts	4,270.23	2,982.87
Engineering Products	2,416.62	1,790.35
	<b>19,118.84</b>	<b>12,759.08</b>
Sale of Services - Locomotive Services	680.19	870.40
Other Operating Revenue - Sale of Scrap	7.06	4.40
<b>TOTAL</b>	<b>19,806.09</b>	<b>13,583.88</b>
<b>22. OTHER INCOME</b>		
Interest from Banks on Fixed Deposits	29.31	20.10
Interest - Others	55.46	64.44
Rent	13.44	13.44
Gain on Investments	130.87	19.49
Gain on Sale of Assets	0.33	24.83
Other Operating Income	4.53	6.40
<b>TOTAL</b>	<b>233.94</b>	<b>148.70</b>

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2023 ₹ in Lakhs	Year Ended 31.03.2022 ₹ in Lakhs
<b>23. COST OF MATERIALS CONSUMED</b>		
Opening Stock	3,114.30	2,913.78
Opening Stock - Hyd Unit	233.37	
Add : Purchases	10,944.85	7,616.13
	<b>14,292.52</b>	10,529.91
Less : Closing Stock	3,955.21	3,114.30
Cost of Raw Materials consumed	<b>10,337.31</b>	7,415.61
Details of Materials Consumed		
Bearings, Compressors & Electrical Items	1,003.53	546.15
Castings & Forgings	2,190.65	1,560.96
DG Set, Tool & Supervisory Van	311.96	197.55
Engines	1,359.73	918.33
Transmissions	949.51	386.75
Others	4,521.53	3,805.87
<b>TOTAL</b>	<b>10,337.31</b>	7,415.61
<b>24. CHANGES IN INVENTORIES OF WORK IN PROGRESS</b>		
Closing Stock	2,960.71	2,849.25
Opening Stock - Hyd Unit	276.16	-
Opening Stock	2,849.25	1,929.02
{Increase } / Decrease In Work In Progress	<b>164.70</b>	(920.23)
<b>25. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages & Bonus	2,728.25	2,528.49
Contribution to Provident & Other Funds	238.81	228.27
Staff Welfare Expenses	240.82	230.25
<b>TOTAL</b>	<b>3,207.88</b>	2,985.01
<b>26. FINANCE COST</b>		
Interest	1.30	4.57
Bank Charges	87.21	103.29
<b>TOTAL</b>	<b>88.51</b>	107.86



## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2023 ₹ in Lakhs	Year Ended 31.03.2022 ₹ in Lakhs
<b>27. OTHER EXPENSES</b>		
Consumption of Stores & Spares	411.75	368.84
Power & Fuel	265.28	233.38
Job Charges	625.58	537.05
Rent	33.39	37.45
Rates and Taxes	115.94	65.78
R & D Expenditure	130.46	140.88
Insurance	29.04	25.09
Freight Outwards	334.55	225.23
Vehicle Maintenance	91.98	79.22
Security Services	91.94	85.05
Professional Charges	161.13	88.39
Printing & Stationery	17.34	14.43
Travelling Expenses	262.78	168.88
Telephone Charges	14.85	15.46
Contribution towards CSR	25.46	32.73
Repairs & Maintenance		
Plant & Machinery	69.17	29.96
Buildings	45.00	12.76
Others	41.55	32.50
General Expenses	169.86	39.43
Payment to Auditors		
Statutory Audit	9.00	8.00
Taxation Matters	2.50	2.50
Certification Charges	0.50	0.50
Reimbursement of Expenses	1.84	0.29
Commission & Selling Expenses	67.58	124.42
Directors Sitting Fees	3.49	3.90
Bad Debts Written off	94.95	34.10
Liquidated Damages	78.36	54.06
<b>TOTAL</b>	<b>3,155.34</b>	<b>2,460.28</b>
<b>28. Earning per Share</b>		
Profit after Taxation	1,831.40	781.91
Number of Equity Shares Outstanding	44.50	44.50
Basic and Diluted earning per share in Rupee	₹ 41.16	₹ 17.57
Face value of ₹ 10/- per share		
The Company does not have any diluted shares, hence basic and diluted earnings per share is same.		
<b>29. Contingent Liabilities &amp; Commitments ( To the extent not provided for )</b>		
<b>A. Contingent Liabilities</b>		
in respect of Bank Guarantees & Acceptances	3,856.61	4,017.21
In respect of EPCG License from DGFT	330.85	330.85
<b>TOTAL</b>	<b>4,187.46</b>	<b>4,348.06</b>
<b>B. Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	289.90	-
<b>TOTAL</b>	<b>289.90</b>	<b>-</b>
<b>30.</b> The Company has never defaulted in payment of Loans and interest.		
<b>31.</b> Income Tax Assessment is completed upto Assessment Year 2021-22		

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
<b>32. Particulars of Consumption</b>		
Raw Materials		
- Imported	1,621.74	1,179.76
- Indigenous	8,715.57	6,235.85
<b>TOTAL</b>	<b>10,337.31</b>	<b>7,415.61</b>
<b>33. Value of Imports on CIF basis</b>		
Raw Materials, Stores and Spares	1,470.08	461.21
Stores & Consumables	3.18	2.17
<b>TOTAL</b>	<b>1,473.26</b>	<b>463.38</b>
<b>34. Payment made in Foreign Currency on account of</b>		
Travelling	0.84	0.73
Membership Fee	4.47	3.83
<b>TOTAL</b>	<b>5.31</b>	<b>4.56</b>
<b>35. Earnings in Foreign Currency</b>		
F.O.B Value of Exports	156.57	3.94
<b>TOTAL</b>	<b>156.57</b>	<b>3.94</b>
<b>36. Employee Benefits under Defined Benefit Plans</b>		
<b>GRATUITY</b>		
<b>Details of Actuarial Valuation</b>		
<b>Change in Benefit Obligation</b>		
Fair Value of Assets as at Year Beginning	387.31	363.85
Employer Contribution	69.20	73.00
Expected Return on Assets	28.93	24.61
Actuarial Gain / (Loss)	(6.11)	(3.87)
Benefits Paid	(35.77)	(70.28)
<b>Fair Value of Assets as at Year End</b>	<b>443.56</b>	<b>387.31</b>
<b>Actual Return on Assets ( Net )</b>	<b>22.82</b>	<b>20.74</b>
Fair Value of the Plan (FVA) Assets as at Year End	443.56	387.31
Present Value of Defined Benefits Obligation (DBO) as per Actuarial Valuation	449.79	497.18
<b>Net Surplus</b>	<b>(6.23)</b>	<b>(109.87)</b>
<b>Cost of the Defined Benefit Plan for the Year</b>		
Current Service Cost	38.29	42.97
Interest Cost - Net	5.39	(1.26)
<b>Net Cost Recognised in the Profit and Loss Account</b>	<b>43.67</b>	<b>41.71</b>
<b>Net Cost as per Actuarial Valuation</b>	<b>49.90</b>	<b>(68.16)</b>
<b>Net Surplus Recognised at the end of the period</b>	<b>6.23</b>	<b>(109.87)</b>
<b>Actuarial Assumptions</b>		
Discount Rate	7%	7%
Future Salary Increase	7%	7%
Attrition Rate	10%	10%
Rate of Return on Plan Assets	7%	7%
<b>Notes :</b>		
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.		

## NOTES TO THE FINANCIAL STATEMENTS

37. Financial Ratios					
Ratio	Numerator	Denomiuatnr	31.03.2023	31.03.2022	Reasons for Variance
Current ratio	Current Assets	Current Liabilities	3.02	3.16	
Debt-equity ratio	Total Debt	Shareholder's Equity	Negligible	Negligible	
Debt service coverage ratio	Earnings Available for debt service Net profits after Taxes-Preference Dividend (if any)	Debt Service Average Shareholder's Equity	1,843.13	49.33	Higher earnings and low debt service
Return on equity ratio	Cost of Goods Sold	Average Inventory	0.09	0.04	Higher earnings
Inventory turnover ratio	Net Credit Sales	Accounts Receivable	2.66	2.31	
Trade receivables turnover ratio	Net Credit Purchases	Average Trade Payables Working	2.73	1.79	Higher turnover
Trade payables turnover ratio	Net Sales	Capital	4.62	3.30	Higher Purchases
Net capital turnover ratio	Net Profit	Net Sales	1.41	1.15	
Net profit ratio	Earnings before Interest and Taxes	Capital Employed Time weighted	0.09	0.05	Higher Profit
Return on capital employed	Income from Investments	Average Investments	0.12	0.06	Higher earnings
Return on investment			0.08	0.05	

## NOTES TO THE FINANCIAL STATEMENTS

### 38. 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 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 provision 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.



## NOTES TO THE FINANCIAL STATEMENTS

39. Disclosure as required under Sec 186 (4) of the Companies Act, 2013			
Particulars	31.03.2023 ₹ in Lakhs	31.03.2022 ₹ in Lakhs	Purpose
i) Loans Outstanding			
- Velankani Electronics Pvt. Ltd.,	-	300.00	Loan repaid during the year
- Bydesign India Pvt. Ltd.,	-	180.00	Loan repaid during the year
ii) Investments in Mutual Funds	3,809.28	3,378.42	Investment of Surplus Funds
40. Disclosure in respect of Related Parties pursuant to Accounting Standard 18			
Names of Related Party	Associates of Related Party		
Mr. Milind S Thakker, Director	SAN Motors Ltd., SAN Rolling Stock Services Ltd., Sonmil Engineering Pvt. Ltd., Importex International Pvt.Ltd..		
Mr. Ramanathan Narayanan, Director	SAN Rolling Stock Services Ltd.,		
41. Transactions during the year with related parties / Key Managerial Personnel are as under			
Related Parties	Nature of Transaction	Total 2022-23 ₹ in Lakhs	Total 2021-22 ₹ in Lakhs
Sonmil Engineering Pvt. Ltd.,	Sale of Materials	266.11	104.47
Sonmil Engineering Pvt. Ltd.,	Rent Paid	6.00	-
Sonmil Engineering Pvt. Ltd.,	Acquisition Ventra locomotives	850.00	-
SAN Motors Ltd.,	Rent Received	14.18	14.18
SAN Motors Ltd.,	Sale / Purchase of Materials	347.31	310.89
SAN Rolling Stock Services Ltd.,	Rent Received	1.78	1.70
SAN Rolling Stock Services Ltd.,	Sale of Materials	-	50.03
SAN Rolling Stock Services Ltd.,	Service Charges Received	113.00	34.46
Importex International Pvt. Ltd.,	Manoover Supply	19.12	3.54
Mr. Ramanathan Narayanan	Managerial Remuneration	141.97	120.30
<p>42. The Board of Directors of the Company has recommended a dividend of Rs. 4/- per share for the year ended 31st March, 2023 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, 2023 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. 178 Lakhs.</p> <p>43. During the current financial year, the Company has acquired Ventra Locomotives, A Division of Sonmil Engineering Pvt. Ltd. for ₹ 850 Lakhs. Ventra Locomotives is situated in Hyderabad and engaged in the business of manufacturing Shunting Locomotives and Rail Vehicles.</p> <p>44. The Company's main business segment is manufacturing Locomotives, Gens &amp; 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 and on behalf of the Directors SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED	
For N R RAJAGOPALAN & CO., Firm Registration No. 0034005 Chartered Accountants		MILIND S THAKKER Chairman DIN : 00617882	RAMANATHAN NARAYANAN Managing Director DIN : 06681365
k G PURUSHOTHAMAN Membership No. 028537 Partner		SUNITHA K S Company Secretary M.No. A15358	
Place : Chennai Date : 22nd June, 2023		Place : Bengaluru Date : 22nd June, 2023	

**CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH 2023**

**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 **SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED** ("the Company"), which comprise the balance sheet as at 31 March 2023, 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 2023, 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.

**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)(i) of the Companies Act, 2013 on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If



we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Other Matters

We have also audited the financial statements of its direct subsidiary company, SAN ROLLING STOCKS SERVICES LIMITED whose financial statements reflect total assets of ₹.2,79,89,034/- as at March 31, 2023, total revenues of ₹.2,72,54,468/- 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 SAN MOTORS LIMITED whose financial statements reflect total assets of ₹.9,15,10,410/- as at March 31, 2023 and total revenues of ₹.3,24,73,459/- 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

1. 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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) 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.

(h) 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.
- iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
c. Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

**K.G. PURUSHOTHAMAN**  
Membership No.028537  
Partner

Place : Chennai  
Date : 22nd June 2023  
UDIN: 23028537BGPMAC4951

**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 **SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED** ('the Company') as at March 31, 2023 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 has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting 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.

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

**K.G. PURUSHOTHAMAN**  
Membership No.028537  
Partner

Place : Chennai  
Date : 22nd June 2023  
UDIN: 23028537BGPMAC4951

# SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2023

Particulars	Note No.	₹ in Lakhs	As at 31st	As at 31st
			March 2023	March 2022
			(₹ in Lakhs)	(₹ in Lakhs)
<b>I. EQUITY AND LIABILITIES :</b>				
<b>Shareholders' Funds :</b>				
Share Capital	2	445.00		445.00
Reserves and Surplus	3	21,541.86		19,757.52
<b>Owners Equity</b>			<b>21,986.86</b>	<b>20,202.62</b>
<b>Minority Interest Share of Equity</b>			-	6.75
<b>Non Current Liabilities :</b>				
Deferred Tax Liabilities (Net)	4	-		17.30
Long Term Provisions	5	211.40		196.98
			<b>211.40</b>	<b>214.28</b>
<b>Current Liabilities :</b>				
Short Term Borrowings	6	-		7.40
Trade Payables	7			
Total outstanding dues of Micro & Small Enterprises		547.10		490.96
Total outstanding dues of creditors other than Micro & Small Enterprises		2,250.53		1,441.78
Other Current Liabilities	8	3,112.56		2,690.15
Short Term Provisions	9	1,085.54		971.67
			<b>7,095.73</b>	<b>5,601.96</b>
<b>Total</b>			<b>29,293.99</b>	<b>26,025.61</b>
<b>II. ASSETS :</b>				
<b>Non Current Assets</b>				
Property, Plant & Equipment, Intangible Assets	10			
Property, Plant & Equipment		4,218.13		4,507.46
Intangible Assets		28.49		37.56
Capital Work In Progress		166.75		2.50
		<b>4,413.37</b>		<b>4,547.52</b>
Intangible Assets - Goodwill		1,317.57		1,292.72
Long Term Loans & Advances	11	1,409.58		1,685.08
Deferred Tax Asset	12	20.78		
Other Non Current Assets	13	182.62		218.00
			<b>7,343.92</b>	<b>7,743.32</b>
<b>Non Current Investments</b>	14		<b>0.10</b>	<b>0.10</b>
<b>Current Assets</b>				
Current Investments	15	4,329.94		4,007.87
Inventories	15	7,150.73		6,152.31
Trade Receivables	17	8,174.93		6,435.81
Cash & Cash Equivalents	18	1,556.72		702.73
Short Term Loans & Advances	19	519.86		811.08
Other Current Assets	20	209.79		172.39
			<b>21,949.97</b>	<b>18,282.19</b>
<b>Total</b>			<b>29,293.99</b>	<b>26,025.61</b>
Significant Accounting Policies	1			
The accompanying notes are an integral part of the financial statements.				
As per report of even date attached.				
For N R RAJAGOPALAN & CO., Firm Registration No. 0034005 Chartered Accountants		For and on behalf of the Board <b>SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED</b>		
<b>K G PURUSHOTHAMAN</b> Membership No. 028537 Partner		<b>MILIND S THAKKER</b> Chairman DIN : 00617882	<b>RAMANATHAN NARAYANAN</b> Managing Director DIN : 06681365	
Place : Chennai Date : 22nd June, 2023		Place : Bengaluru Date : 22nd June, 2023		

## CONSOLIDATED STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	Note No.	Year Ended 31st March 2023 ( ₹ in Lakhs )	Year Ended 31st March 2022 ( ₹ in Lakhs )
<b>I. INCOME :</b>			
Revenue from Operations ( Gross )	21	23,647.53	15,964.30
Less : GST		3,664.44	2,277.82
Revenue from Operations ( Net )		19,983.19	13,686.48
Other Income	22	254.49	164.92
<b>TOTAL REVENUE</b>		<b>20,237.68</b>	<b>13,851.40</b>
<b>II. EXPENSES :</b>			
Cost of Materials Consumed	23	10,197.00	7,289.75
Changes in Inventories of Work in Progress	24	133.88	(929.65)
Employee Benefit Expenses	25	3,364.04	3,117.52
Finance Cost	26	88.57	107.89
Depreciation and Amortization		586.98	576.88
Other Expenses	27	3,275.38	2,522.25
<b>TOTAL EXPENSES</b>		<b>17,645.85</b>	<b>12,684.64</b>
Profit before Tax		2,591.83	1,166.76
<b>Tax Expenses :</b>			
Current Tax		716.34	343.07
Short / (Excess) provision relating to prior years		(4.18)	53.59
Deferred Tax		(38.07)	(34.10)
Profit for the year before Share of Profit from Minority Interest		1,917.74	804.20
Share of Minority Interest		-	(0.43)
<b>Profit for the year - Owners Share</b>		<b>1,917.74</b>	<b>804.63</b>
Earnings per Equity Share	28		
Basic		₹ 42.24	₹ 17.31
Diluted		₹ 42.24	₹ 17.31

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

As per our report of even date attached,

For and on behalf of the Board  
SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED

For **N R RAJAGOPALAN & CO.,**  
Firm Registration No. 0034005  
Chartered Accountants

**MILIND S THAKKEK**  
Chairman  
DIN : 00617882

**RAMANATHAN NARAYANAN**  
Managing Director  
DIN : 06681365

**K G PURUSHOTHAMAN**  
Membership No. 028537  
Partner

**SUNITHA K S**  
Company Secretary  
M.No. A15358

Place : Chennai

Place : Bengaluru

Date : 22nd June, 2023

Date : 22nd June, 2023

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023**

Particulars	2022-23		2021-22
	( ₹ in Lakhs )	( ₹ in Lakhs )	( ₹ in Lakhs )
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Net Profit before tax and extra ordinary items		2591.83	1166.76
Depreciation	586.98		576.88
Finance Cost	88.57		107.89
Interest Income	(91.04)		(89.89)
Dividend Income from Current Investments	(158.56)		(43.29)
Loss on Sale of Assets	0.02		-
Gain on Sale of Assets	(0.33)		(24.83)
		425.64	526.76
Operating Profit before Working Capital Changes		3017.47	1693.52
Adjustments for (Increase) / Decrease in Operating Assets			
Inventories	(1006.42)		(1134.81)
Trade Receivables	(1739.12)		2411.85
Short Term / Long Term Loans & Advances	577.01		757.70
Other Current Assets	(37.41)		(58.89)
Miscellaneous Expenses not Written Off	-		0.92
		(2205.94)	1976.77
Adjustments for (Increase) / Decrease in Operating Liabilities			
Trade Payables	964.89		(834.33)
Short Term Borrowings / Provisions	106.46		(355.24)
Other Current & Long Term Provisions	436.83		277.44
		1508.18	(912.13)
Cash Generated from Operations		2319.71	2758.16
Less : Direct Taxes Paid		716.34	343.07
Cash Inflow before Extra Ordinary Items		1603.37	2415.09
Less : Excess / (Short) Provision of prior years		4.18	(53.59)
Net Cash Generated from Operating Activities (A)		1607.55	2361.50
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>			
Purchase of Property, Plant & Equipment		(453.45)	(235.56)
Acquisition of Subsidiary Company Shares		(6.51)	-
Proceeds from Sale of Property, Plant & Equipment		0.94	38.25
Proceeds from Sale / Redemption of Investments		(322.07)	(2008.29)
Interest Income		91.04	89.89
Dividend Income from Current Investments		158.56	43.29
Net Cash used in Investing Activities (B)		(531.49)	(2072.42)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>			
Finance Cost		(88.57)	(107.89)
Dividend Paid		(133.50)	(44.50)
Net Cash used in Financing Activities (C)		(222.07)	(152.39)
Net Increase / (Decrease) in Cash and Cash equivalents (A + B + C)		853.99	136.69
Add : Cash & Cash Equivalents as at 1.4.2022		702.73	566.04
<b>CASH &amp; CASH EQUIVALENTS AS AT 31.3.2023*</b>		1556.72	702.73
* Comprises :			
a. Cash on hand		3.76	3.39
b. Balances with Banks :			
In Current Accounts		596.42	153.15
Unpaid Dividend		8.07	9.41
In Deposit Accounts		-	-
In Margin Money Accounts		948.47	526.78
		1556.72	702.73

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

As per our report of even date attached.

For and on behalf of the Board  
**SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED**

For M R **RAJAGOPALAN & CO.,**  
Firm Registration No. 0034005  
Chartered Accountants

**MUND S THAKKER**  
Chairman  
DIN : 00617882

**RAMANATHAN NARAYANAN**  
Managing Director  
DIN : 00681365

**K G PURUSHOTHAMAN**  
Membership No. 028537  
Partner

**SUNITHA K S**  
Company Secretary  
M.No. A15358

Place : Chennai  
Date : 22nd June, 2023

Place : Bengaluru  
Date : 22nd June, 2023



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Company Information

The Company has incorporated wholly owned subsidiary in India namely 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 100% in Equity Share Capital of SAN Motors Limited thereby SAN Motors Limited, has become wholly owned subsidiary of SAN Engineering and Locomotive Company Limited.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of Consolidation

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

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

The Financial Statements are prepared in accordance with Accounting Standards under the historical costs convention on accrual basis complying with the provisions of Companies Act, 2013 (The Act). The Accounting Standards are prescribed under section 133 of the Act as applicable under Companies (Accounting Standards), Rules, 2021.

### 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 were 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 utilized 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 and equipment and depreciation is charged on the same basis as other property, plant and 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 recognized on 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 has been followed wherever applicable**



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2023		As at 31.03.2022	
	In Numbers	₹ in Lakhs	In Numbers	₹ in Lakhs
<b>2. SHARE CAPITAL</b>				
<b>Authorised :</b>				
Redeemable Preference Shares of ₹ 100/- each	25,000	25.00	25,000	25.00
Equity Shares of ₹ 10/- each	47,50,000	475.00	47,50,000	475.00
<b>TOTAL</b>		<b>500.00</b>		<b>500.00</b>
<b>Issued, Subscribed &amp; Paid up:</b>				
Equity Shares of ₹ 10/- each	44,50,000	445.00	44,50,000	445.00
<b>a. Reconciliation of the number of shares</b>				
Shares outstanding at the beginning of the year	44,50,000	445.00	44,50,000	445.00
Shares outstanding at the end of the year	44,50,000	445.00	44,50,000	445.00
<b>b. Details of Shareholders holding more than 5% shares in the Company</b>				
Name of the Shareholder	Equity Shares			
	As at 31.03.2023		As at 31.03.2022	
	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
<b>c. Details of Shares held by Promoters at the end of the year</b>				
Name of the Promoter / Promoter Group	Equity Shares			
	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	% of Holding	No. of Shares	% 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
Keran 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 Industries 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				
Particulars	As at 31.03.2023		As at 31.03.2022	
	₹ in Lakhs		₹ in Lakhs	
<b>3. RESERVES AND SURPLUS</b>				
Capital Reserve				
Surplus on re-issue of forfeited shares		0.09		0.09
Securities Premium Reserve		757.39		767.39
General Reserve				
Opening Balance	16,873.82		15,873.82	
Add : Transfer from Surplus in Statement of Profit & Loss	1,000.00		1,000.00	
		<b>17,873.82</b>		16,873.82
Surplus / (Deficit) in Statement of Profit and Loss				
Opening Balance	2,116.32		2,356.19	
Add : Profit for the year	1,917.74		804.63	
	<b>4,034.06</b>		3,160.82	
Less : Appropriations				
Transferred to General Reserve	1,000.00		1,000.00	
Dividend	133.50		44.50	
	<b>1,133.50</b>		1,044.50	
Closing Balance		<b>2,900.56</b>		2,116.32
<b>TOTAL</b>		<b>21,541.86</b>		19,757.62
(The Company has paid dividend of ₹ 3/- per share on the equity share of face value of ₹ 10/- each pertaining to FY 2021-22 post approval by the members in 52nd AGM held on 30th August, 2022. For the current year the Company has recommended a dividend of ₹ 4/- per share - Refer Note No. 44.)				

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	As at	As at
	31.03.2023 ₹ in Lakhs	31.03.2022 ₹ in Lakhs
<b>4. DEFERRED TAX LIABILITIES ( NET )</b>		
Deferred Tax Liability - Depreciation on Property, Plant & Equipment		
Opening Balance	-	89.86
Add / (Less) : Transfer from Statement of Profit and Loss	-	8.58
	-	81.28
Deferred Tax Asset - Depreciation on Property, Plant & Equipment		
Opening Balance	-	38.46
Add / (Less) : Transfer from Statement of Profit and Loss	-	25.52
	-	63.98
<b>TOTAL</b>	-	17.30
<b>6. LONG TERM PROVISIONS</b>		
Provision for Employee Benefits		
Leave Encashment	211.40	196.98
<b>TOTAL</b>	211.40	196.98
<b>6. SHORT TERM BORROWINGS</b>		
Secured		
Working Capital Loan from Banks :		
State Bank of India	-	7.40
<b>TOTAL</b>	-	7.40
<p>( Working Capital facilities from Banks are primarily secured by hypothecation of Inventories and Book Debts of the Company and further secured by hypothecation of Plant &amp; Machineries and Equitable Mortgage of immovable properties of Bengaluru Unit. There are no material discrepancies between the quarterly returns / statement of current assets filed by the Company with the Banks )</p>		
<b>7. TRADE PAYABLES</b>		
Total outstanding dues of Micro & Small Enterprises	547.10	490.96
Total outstanding dues of Creditors other than Micro & Small Enterprises	2,250.53	1,441.78
<b>TOTAL</b>	2,897.63	1,932.74
<b>Details of Dues to Micro, Small &amp; Medium Enterprises as defined under MSMED Act, 2006</b>		
Principal Amount due to suppliers registered under MSMED Act and remaining unpaid as at year end	417.44	235.28
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	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at					
	31.03.2023 ₹ in Lakhs	31.03.2022 ₹ in Lakhs				
<b>For the year ending 31st March 2023</b>						
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	229.66	412.27	5.01	-	0.16	647.10
ii) Others	965.88	1,170.02	74.98	5.02	34.63	2,250.53
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>1,195.54</b>	<b>1,582.29</b>	<b>79.99</b>	<b>5.02</b>	<b>34.79</b>	<b>2,897.63</b>
<b>For the year ending 31st March 2022</b>						
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	1,441.78
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>886.35</b>	<b>992.64</b>	<b>17.84</b>	<b>20.71</b>	<b>15.20</b>	<b>1,932.74</b>
<b>8. OTHER CURRENT LIABILITIES</b>						
Advances from Customers		2,245.33				2,064.96
Accrued Salaries & Benefits		429.90				391.73
Unpaid Dividends		7.84				9.04
Statutory Dues		188.49				55.68
Provision for Expenses		206.34				150.25
Creditors for Capital Goods		21.88				-
Other Liabilities		12.78				18.43
<b>TOTAL</b>		<b>3,112.56</b>				<b>2,690.15</b>
<b>9. SHORT TERM PROVISION</b>						
Provision for Taxation		1,085.54				971.67
<b>TOTAL</b>		<b>1,085.54</b>				<b>971.67</b>

## SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED

### 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 1.04.2022	Additions/ Adjustments	Deductions	As at 31.03.2023	Upto 31.03.2022	For the Year	Withdrawn/ Adjustments	Upto 31.03.2023	As at 31.03.2022	As at 31.03.2023
Land Freehold	339.55			339.55	-	-	-	-	339.55	339.55
Buildings	1,416.99			1,416.99	416.18	38		453.92	1,000.81	1,000.81
Plant and Machinery	6,101.75	164.26	0.37	6,265.64	3,642.50	391	92.10	3,925.72	2,659.25	2,659.25
Computers	193.26	16.84	2.57	207.53	172.55	6	5.67	184.27	20.71	20.71
Furniture, Fixtures & Office Equipments	300.70	33.93	2.91	331.72	242.18	18	9.41	269.78	61.94	58.52
Electrical Installations	240.38	2.51		242.89	165.24	19		184.66	58.23	75.14
Patterns, Jigs & Fixtures	273.73	2.18		275.91	242.79	11		253.77	30.94	30.94
Vehicles	312.11	182.11		494.22	243.02	47	15.48	305.42	188.80	69.09
Tools	291.40	11.53		302.93	232.38	26		257.99	44.94	59.02
Test Track	286.72			286.72	92.29	18		110.44	176.28	194.43
<b>Total</b>	<b>9,756.59</b>	<b>413.36</b>	<b>5.85</b>	<b>10,164.10</b>	<b>5,249.13</b>	<b>574.18</b>	<b>122.66</b>	<b>5,945.97</b>	<b>4,218.13</b>	<b>4,507.46</b>
Capital Work in Progress < 1 Year	<b>2.50</b>	<b>164.25</b>		<b>166.75</b>					<b>166.75</b>	<b>2.50</b>
Previous Year Total	9,674.88	229.35	147.64	9,756.59	4,819.29	564.07	134.73	5,249.13		

##### INTANGIBLE ASSETS

Description of Assets	GROSS BLOCK			AMORTISATION			NET BLOCK			
	As at 1.04.2022	Additions/ Adjustments	Deductions	As at 31.03.2023	Upto 31.03.2022	For the Year	Withdrawn/ Adjustments	Upto 31.03.2023	As at 31.03.2022	As at 31.03.2023
Computers - Software	136.51	11.22		147.73	98.94	12.79	7.51	119.24	28.49	37.57
Previous Year Total	132.81	3.70		136.51	86.13	12.81		98.94		



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
<b>11. LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured Considered Good</b>		
Capital Advances	121.64	3.15
Intercompany Loans - Bydesign India Pvt Ltd	-	180.00
Intercompany Loans - Velankani Electronics Pvt Ltd *	-	300.00
Tender Deposits	103.79	23.49
Tax payments pending Adjustments	1,184.15	1,178.44
<b>TOTAL</b>	<b>1,409.58</b>	<b>1,685.08</b>
(* Refer Note 39 to Financial Statements)		
<b>12. DEFERRED TAX ASSET ( NET )</b>		
Deferred Tax Asset - Depreciation on Fixed Assets		
Opening Balance	63.98	-
Add / (Less) : Transfer from Statement of Profit and Loss	24.08	-
	88.06	-
Deferred Tax Liability - Depreciation on Fixed Assets		
Opening Balance	81.28	-
Add / (Less) : Transfer from Statement of Profit and Loss	14.00	-
	67.28	-
<b>TOTAL</b>	<b>20.78</b>	<b>-</b>
<b>13. OTHER NON CURRENT ASSETS :</b>		
Security Deposits	182.62	218.00
<b>TOTAL</b>	<b>182.62</b>	<b>218.00</b>
<b>14. NON CURRENT INVESTMENTS :</b>		
Investment in NSC	0.10	0.10
<b>TOTAL</b>	<b>0.10</b>	<b>0.10</b>
<b>15. CURRENT INVESTMENTS</b>		
<b>In Mutual Funds :</b>		
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 8,293,445 @ ₹ 10.26 each P Y 7,939,926 @ ₹ 10.26 each )	0.85	0.81
Canara Robeco Liquid Fund ( C Y 95 Units @ ₹ 1004.39 each P Y 90,269 Units @ ₹ 1004.39 each )	0.95	0.91
SBI Liquid Fund Reg Growth ( C Y 20445.875 Units @ ₹ 3273.2866 P Y 82919.117 Units @ ₹ 3242.2812 )	669.25	2,688.47
SBI Arbitrage Opportunities Fund ( C Y 106,97,766,366 Units @ ₹ 27.5758 each P Y 18,36,691,418 Units @ ₹ 27.2228 )	2,950.00	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 Ultra SDF ( C Y 27138,881 Units @ ₹ 1918.4976 each & P Y 33447,371 Units @ ₹ 1824.7353 each )	520.66	610.32
State Bank of India - Premier Liquid Fund - Regular Plan - Daily Dividend ( P Y 10,741,842 Units @ ₹ 1003.25 each )	-	19.13
<b>TOTAL</b>	<b>4,329.94</b>	<b>4,007.87</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	As at	As at
	31.03.2023	31.03.2022
	₹ in Lakhs	₹ in Lakhs
<b>16. INVENTORIES</b>		
Raw Materials & Components	3,515.85	2,955.47
Stores & Spares	151.73	126.92
Goods In Transit	460.01	181.08
Work in Progress	3,031.14	2,888.84
<b>TOTAL</b>	<b>7,158.73</b>	<b>6,152.31</b>
<b>17. TRADE RECEIVABLES</b>		
Unsecured, Considered good	8,174.93	6,435.81
<b>TOTAL</b>	<b>8,174.93</b>	<b>6,435.81</b>

**For the year ending 31st March 2023**

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	4,862.99	2,090.79	278.65	361.49	339.11	241.90	8,174.93
ii) Undisputed Trade Receivables - Considered	-	-	-	-	-	-	-
iii) Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-
iv) Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-
<b>Total</b>	<b>4,862.99</b>	<b>2,090.79</b>	<b>278.65</b>	<b>361.49</b>	<b>339.11</b>	<b>241.90</b>	<b>8,174.93</b>

**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	-	-	-	-	-	-	-
iii) Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-
iv) Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-
<b>Total</b>	<b>3,784.07</b>	<b>1,042.47</b>	<b>494.35</b>	<b>438.53</b>	<b>406.45</b>	<b>269.94</b>	<b>6,435.81</b>

**18. CASH & CASH EQUIVALENTS**

Cash on hand	3.76	3.39
Balances with Banks		
Current Accounts	696.42	163.15
Unpaid Dividend	8.07	9.41
Margin Money Accounts - maturity < 12 months	-	-
Margin Money Accounts - maturity > 12 months	948.47	526.78
<b>TOTAL</b>	<b>1,556.72</b>	<b>702.73</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2023 ₹ In Lakhs	Year Ended 31.03.2022 ₹ In Lakhs
<b>19. SHORT TERM LOANS &amp; ADVANCES</b>		
Unsecured considered good :		
Prepaid Expenses	136.59	72.17
Advances & Loans to Employees	95.84	27.59
Balances with Government Authorities	57.09	561.18
Advances to Suppliers	226.39	129.48
Other Loans & Advances	0.01	20.66
<b>TOTAL</b>	<b>519.86</b>	<b>811.08</b>
<b>20. OTHER CURRENT ASSETS</b>		
Interest Accrued on Deposits	209.79	172.39
<b>TOTAL</b>	<b>209.79</b>	<b>172.39</b>
<b>21. REVENUE FROM OPERATIONS</b>		
<b>GROSS REVENUE FROM OPERATIONS</b>		
Sale of Products		
Locomotives	5,505.29	4,948.66
Power Pack to HS Spart	4,921.28	1,992.04
Power Pack to Others	-	583.44
Special Purpose Vehicles	4,316.41	1,759.18
Spare Parts	5,021.47	3,486.00
Engineering Products	2,851.51	2,098.54
Fabrication / FRP Components	13.72	21.70
	<b>22,629.78</b>	<b>14,889.56</b>
Sale of Services - Locomotive Services	1,003.52	1,069.55
Other Operating Revenue - Sale of Scrap	8.33	5.19
<b>TOTAL</b>	<b>23,647.63</b>	<b>15,964.30</b>
<b>NET REVENUE FROM OPERATIONS</b>		
Sale of Products :		
Locomotives	4,663.0E	4,251.08
Power Pack to H6 Spart	4,110.95	1,749.51
Power Pack to Others	-	494.44
Special Purpose Vehicles	3,657.98	1,400.83
Spare Parts	4,269.41	2,976.95
Engineering Products	2,416.62	1,790.35
Fabrication / FRP Components	3.25	17.67
	<b>19,121.27</b>	<b>12,770.83</b>
Sale of Services - Locomotive Services	854.85	911.25
Other Operating Revenue - Sale of Scrap	7.07	4.40
<b>TOTAL</b>	<b>19,983.19</b>	<b>13,686.48</b>
<b>22. OTHER INCOME</b>		
Interest from Banks on Fixed Deposits	35.57	25.45
Interest - Others	55.47	64.44
Gain on Investments	158.56	43.29
Gain on Sale of Assets	0.33	24.83
Other Operating Income	4.56	6.91
<b>TOTAL</b>	<b>254.45</b>	<b>164.92</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Year Ended 31.03.2023 ₹ in Lakhs	Year Ended 31.03.2022 ₹ in Lakhs
<b>23. COST OF MATERIALS CONSUMED</b>		
Opening Stock	3,128.75	2,926.27
Opening Stock - Hyd Unit	233.38	-
Add : Purchases	10,803.03	7,492.23
	<b>14,165.16</b>	<b>10,418.50</b>
Less : Closing Stock	3,968.16	3,128.75
<b>Cost of Raw Materials consumed</b>	<b>10,197.00</b>	<b>7,289.75</b>
 Details of Materials Consumed		
Bearings, Compressors & Electrical items	1,003.52	546.15
Castings & Forgings	2,190.65	1,560.97
DG Set, Tool & Supervisory Van	311.96	197.55
Engines	1,359.73	918.33
Transmissions	949.51	386.75
FRP Components	147.93	137.11
Others	4,233.70	3,542.89
<b>TOTAL</b>	<b>10,197.00</b>	<b>7,289.75</b>
<b>24. CHANGES IN INVENTORIES OF WORK IN PROGRESS</b>		
Closing Stock	3,031.14	2,888.88
Opening Stock - Hyd Unit	276.16	-
Opening Stock	2,888.86	1,959.21
(increase) / Decrease in Work in Progress	133.88	(929.65)
<b>25. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages & Bonus	2,873.65	2,651.21
Contribution to Provident & Other Funds	249.57	236.06
Staff Welfare Expenses	240.82	230.25
<b>TOTAL</b>	<b>3,364.04</b>	<b>3,117.52</b>
<b>26. FINANCE COST</b>		
Interest	1.30	4.57
Bank Charges	87.27	103.32
<b>TOTAL</b>	<b>88.57</b>	<b>107.89</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Year Ended 31.03.2023 ₹ in Lakhs	Year Ended 31.03.2022 ₹ in Lakhs
<b>27. OTHER EXPENSES</b>		
Consumption of Stores & Spares	440.07	384.23
Power & Fuel	274.41	239.15
Job Charges	662.36	547.04
Rent	34.76	43.11
Rates and Taxes	116.25	65.92
R & D Expenditure	130.46	140.88
Insurance	31.50	25.73
Freight Outwards	334.62	226.64
Vehicle Maintenance	94.45	79.94
Security Services	91.94	85.05
Preliminary Expenses	-	0.92
Professional Charges	172.13	94.63
Printing & Stationery	17.63	14.68
Travelling Expenses	231.16	178.35
Telephone Charges	15.13	15.75
Contribution towards CSR	25.46	32.73
Repairs & Maintenance		
Plant & Machinery	69.85	30.24
Buildings	45.00	12.76
Others	41.71	32.71
General Expenses	174.86	40.49
Payment to Auditors		
Statutory Audit	10.70	10.48
Taxation Matters	2.50	2.50
Certification Charges	0.50	0.50
Reimbursement of Expenses	1.84	0.29
Commission & Selling Expenses	67.68	124.42
Directors Sitting Fees	4.45	4.95
Bad Debts Written off	55.55	34.10
Liquidated Damages	78.37	54.06
<b>TOTAL</b>	<b>3,275.38</b>	<b>2,522.25</b>
<b>28. Earning per Share</b>		
Profit after Taxation	1,879.68	770.10
Number of Equity Shares Outstanding	44.50	44.50
Basic and Diluted earning per share in Rupee	₹ 42.24	₹ 17.31
Face value of ₹10/- per share		
The Company does not have any diluted shares, hence basic and diluted earnings per share is same.		
<b>29. Contingent Liabilities &amp; Commitments ( To the extent not provided for )</b>		
<b>A. Contingent Liabilities</b>		
In respect of Bank Guarantees & Acceptances	3,859.37	4,019.76
In respect of EPCG License from DGFT	330.85	330.85
<b>TOTAL</b>	<b>4,190.22</b>	<b>4,350.61</b>
<b>B. Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	289.90	-
<b>TOTAL</b>	<b>289.90</b>	<b>-</b>
<b>30. The Company has never defaulted in payment of Loans and Interest.</b>		
<b>31. Income Tax Assessment is completed upto Assessment Year 2021-12.</b>		

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	As at 31.03.2023 ₹ in Lakhs	As at 31.03.2022 ₹ in Lakhs
<b>32. Particulars of Consumption</b>		
Raw Materials		
- Imported	1,621.74	1,179.76
- Indigenous	8,575.26	6,109.99
<b>TOTAL</b>	<b>10,197.00</b>	<b>7,289.75</b>
<b>33. Value of Imports on EIF basis</b>		
Raw Materials, Stores and Spares	1,470.08	461.21
Stores & Consumables	3.18	2.17
<b>TOTAL</b>	<b>1,473.26</b>	<b>463.38</b>
<b>34. Payment made in Foreign Currency on account of</b>		
Travelling	0.84	0.74
Membership Fee	4.47	3.83
<b>TOTAL</b>	<b>5.31</b>	<b>4.57</b>
<b>35. Earnings in Foreign Currency</b>		
F.O.R Value of Exports	156.57	3.94
<b>TOTAL</b>	<b>156.57</b>	<b>3.94</b>
<b>36. Employee Benefits under Defined Benefit Plans</b>		
<b>GRATUITY</b>		
<b>Details of Actuarial Valuation</b>		
<b>Change in Benefit Obligation</b>		
Fair Value of Assets as at Year Beginning	387.31	363.85
Employer Contribution	69.20	73.00
Expected Return on Assets	28.93	24.62
Actuarial Gain / (Loss)	(6.11)	(3.87)
Benefits Paid	(35.77)	(70.28)
<b>Fair Value of Assets as at Year End</b>	<b>443.56</b>	<b>387.32</b>
<b>Actual Return on Assets ( Net )</b>	<b>22.82</b>	<b>20.74</b>
Fair Value of the Plan (FVA) Assets as at Year End	443.56	387.31
Present Value of Defined Benefits Obligation (DBO) as per Actuarial Valuation	449.79	497.18
<b>Net Surplus</b>	<b>(6.23)</b>	<b>(109.87)</b>
<b>Cost of the Defined Benefit Plan for the Year</b>		
Current Service Cost	38.28	42.97
Interest Cost - Net	5.99	(1.26)
<b>Net Cost Recognised in the Profit and Loss Account</b>	<b>43.67</b>	<b>41.71</b>
<b>Net Cost as per Actuarial Valuation</b>	<b>49.90</b>	<b>(68.16)</b>
<b>Net Surplus Recognised at the end of the period</b>	<b>6.23</b>	<b>(109.87)</b>
<b>Actuarial Assumptions</b>		
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.		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37. Financial Ratios					
Ratio	Numerator	Denominator	31.03.2023	31.03.2022	Reasons for Variance
Current ratio	Current Assets	Current Liabilities	3.02	3.16	
Debt-equity ratio	Total Debt	Shareholder's Equity	Negligible	Negligible	
Debt service coverage ratio	Earnings Available for debt service	Debt Service	1,843.13	49.33	Higher earnings and low debt service
Return on equity ratio	Net Profits after Taxes-Preference Dividend (if any)	Average Shareholder's Equity	0.09	0.04	Higher earnings
Inventory turnover ratio	Cost of Goods Sold or Sales	Average Inventory	2.66	2.31	
Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	2.73	1.79	Higher turnover
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	4.62	3.30	Higher Purchases
Net capital turnover ratio	Net Sales	Working Capital	1.41	1.15	
Net profit ratio	Net Profit Earnings before	Net Sales	0.09	0.06	Higher Profit
Return on capital employed	Interest and Taxes	Capital Employed	0.12	0.06	Higher earnings
Return on investment	Income from Investments	Time weighted Average Investments	0.08	0.05	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**38. Other Statutory Information**

1. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company 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 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 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.
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 provision 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	31.03.2023 ₹ in Lakhs	31.03.2022 ₹ in Lakhs	Purpose
i) Loans Outstanding			
- Velankani Electronics Pvt. Ltd.,	-	300.00	Loan repaid during the year
- Bydesign India Pvt. Ltd.,	-	180.00	Loan repaid during the year
ii) Investments in Mutual Funds	4,329.94	4,007.87	Investment of Surplus Funds

## 40. Additional Information as required in Schedule III of Companies Act, 2013 for the year ended March 31, 2023 :

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
<b>Parent - Indian :</b>				
SAN Engineering & Locomotive Co. Ltd.,	97.38	21,411.35	97.52	1,870.21
<b>Subsidiaries - Indian</b>				
SAN Motors Ltd.,	2.00	438.96	(1.05)	(20.38)
SAN Rolling Stock Services Ltd.,	0.62	136.05	3.54	67.91
<b>Total</b>	<b>100.00</b>	<b>21,986.86</b>	<b>100.00</b>	<b>1,917.74</b>

## 41. Performance and financial position of Subsidiaries

## SAN Motors Ltd (SML)

The Company has acquired SML during the financial year 2018-19 and it holds 100% of shares in this subsidiary. SML has earned net revenue of ₹ 324.73 Lakh from its Operations and Other Income as against ₹ 302.92 Lakh of the previous year. It has incurred Loss of ₹ 20.11 Lakh and after considering tax expenses of ₹ 0.27 Lakh the Net Loss of the Company is ₹ 20.38 Lakh. The Net Sales achieved by SML comprise of ₹ 46.15 Lakh from Fiber Glass Reinforced Plastic (FRP) division and ₹ 250.86 Lakh from Fabrication division. The current year performance of SML was impacted due to the reduction of business in Fabrication.

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 2023 includes the figures of SML.

## 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 ₹ 272.54 Lakh from its Operations and Other Income during the year 2022-23 as against ₹ 125.39 Lakh earned during the previous year. The Profit Before Tax was ₹ 89.69 Lakh against ₹ 52.23 Lakh of the previous year. After considering the current tax provision of ₹ 22.34 Lakh the Company's net profit for the year was ₹ 67.91 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.

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

Names of Related Party	Associates of Related Party
Mr. Milind S Thakker, Director	SAN Motors Ltd., SAN Rolling Stock Services Ltd., Importex International Pvt. Ltd., Sonmil Engineering Pvt. Ltd.,
Mr. Ramanathan Narayanan, Director	SAN Rolling Stock Services Ltd.,

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

<b>43. Transactions during the year with related parties / Key Managerial Personnel are as under</b>			
Related Parties	Nature of Transaction	Total 2022-23 ₹ in Lakhs	Total 2021-22 ₹ in Lakhs
Sonmil Engineering Pvt. Ltd.,	Sale / Purchase of Materials	266.11	104.47
Sonmil Engineering Pvt. Ltd.,	Rent Paid	6.00	-
Sonmil Engineering Pvt. Ltd.,	Acquisition Ventra Locomotives	850.00	-
SAN Motors Ltd.,	Rent Received	14.16	14.16
SAN Motors Ltd.,	Sale / Purchase of Materials	347.31	310.69
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	113.30	34.46
Importex International Pvt. Ltd.,	Manpower Supply	19.12	3.54
Mr. Ramanathan Narayanan	Managerial Remuneration	141.97	120.30
<p><b>44.</b> The Board of Directors of the Company has recommended a dividend of ₹ 4 /- per share for the year ended 31st March, 2023 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, 2023 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 ₹ 178 Lakhs.</p>			
<p><b>45.</b> During the current financial year, the Company has acquired Ventra Locomotives, A Division of Sonmil Engineering Pvt. Ltd. for ₹ 850 Lakhs. Ventra Locomotives is situated in Hyderabad and engaged in the business of manufacturing Shunting Locomotives and Rail Vehicles.</p>			
<p><b>46.</b> The Company's main business segment is manufacturing Locomotives, Gears &amp; 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 and behalf of the board <b>SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED</b>	
For <b>N R RAJAGOPALAN &amp; CO.,</b> Firm Registration No. 0034005 Chartered Accountants		<b>MILIND S THAKKER</b> Chairman DIN : 00617882	<b>RAMANATHAN NARAYANAN</b> Managing Director DIN : 06681365
<b>K G PURUSHOTHAMAN</b> Membership No. 028537 Partner		<b>SUNITHA K S</b> Company Secretary M.No. A15358	
Place : Chennai Date : 22nd June, 2023		Place : Bengaluru Date : 22nd June, 2023	

**SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED**

Registered Office : P.O. Box No.4802, Whitefield Road, Bengaluru – 560 048

Tel :080-42449200, E-mail :comsec@san-engineering.com

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

**PROXY FORM**

Name of the member(s):

Registered address :

E-mail id :

Folio No./Client Id :

DP Id :

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

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

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

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

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

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

Email id: ..... Signature: .....

as my /our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Registered Office of the Company on Thursday, the 17<sup>th</sup> August 2023 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
	<b>Ordinary Resolution</b>			
1.	Consideration and adoption of audited financial statements for the year ended March 31, 2023			
2.	Declaration of Dividend			
3.	Re-appointment of Mr. Milind S. Thakker who retires by rotation.			
	<b>Special Business</b>			
4.	Reappointment of Mr. Ramanathan Narayanan as the Managing Director of the Company			
5.	Ratification of remuneration of the Cost Auditors			

Signature of Shareholder/Proxy

Signed this ..... day of August, 2023.

Folio Number ..... Nu. of Shares held .....

Affix  
Revenue  
Stamp





**SAN ENGINEERING AND LOCOMOTIVE COMPANY LIMITED**

Registered Office : P.O. Box No.4802, Whitefield Road, Bengaluru – 560 048

Tel :080-42449200, 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 am a Member of the Company/Proxy/Authorised Representative for the member.

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 53 rd AGM of SAN Engineering and Locomotive Company Limited at the Registered Office of the Company at Whitefield Road, Bengaluru - 560 048.







