

BOARD OF DIRECTORS	:	MILIND S THAKKER JASJIV SAHNEY ANJANA M THAKKER <i>Wholetime Director</i>
BANKERS	:	STATE BANK OF INDIA ICICI BANK LTD
AUDITORS	:	M/s. N.R. RAJAGOPALAN & CO., CHARTERED ACCOUNTANTS CHENNAI – 600 017
REGISTERED OFFICE AND WORKS	:	WHITEFIELD ROAD, MAHADEVAPURA POST, BENGALURU - 560 048

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SAN MOTORS LTD

CIN: U34103KA1997PLC101338

Registered Office: Whitefield Road, Bengaluru – 560 048

Telephone: (080) 4244 9200 : E-mail umavs@sanmotors.com

NOTICE CONVENING ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of SAN MOTORS LIMITED will be held at the Registered Office of the Company at Whitefield Road, Bengaluru – 560 048 on Monday the 28th September, 2020 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the Financial Year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Milind S Thakker, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

“RESOLVED that pursuant to the provisions of Section 14 and other applicable provisions if any of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force) and read with the rules made there under, consent of the members be and is hereby accorded to adopt new set of Articles of Association in accordance with the provisions of the Companies Act, 2013, in place of existing Articles of Association of the Company

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be required to be done to give effect to this resolution.”

By order of the Board of Directors

Milind S Thakker

Chairman

Bengaluru

28th August, 2020

NOTES:

1. Relevant Explanatory Statement pursuant to Sec 102(1) of the Companies Act, 2013 (the Act), for item No 3 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. The Proxies to be effective must be received at the registered office of the Company not less than 48 hours before the meeting.
3. Members shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending 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.

4. Members/proxies should bring the attendance slip enclosed herewith, duly filled in for attending the Meeting.
5. Route-map to the venue of the Meeting provided in the Annual Report, forms part of this notice.
6. 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.
7. 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.
8. The Company has appointed M/s Canbank Computer Services Ltd, R & T Centre, No 218, J P Royale, 1st Floor, 2nd Main, Sampige Road, Malleswaram, Bengaluru 560 003, (Phone nos: 080 23469661-64, Fax 080 23469667; Email canbankrta@csl.co.in) as the Registrar and Share Transfer Agents. The members are requested to communicate with the Registrar and Share Transfer Agents regarding change of address and other matters in respect of their shareholdings.

ANNEXURE TO THE NOTICE

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 3 in the Notice.

Item No 3

The existing Articles of Association (AoA) are based on the Companies Act, 1956 (the Erstwhile Act') and several regulations in the existing AoA contained reference to specific sections of the erstwhile Act and some regulations in the existing AoA are no longer in conformity with Companies Act, 2013 (the 'New Act')

With the coming into force of the new Act, several regulations of the existing AoA of the Company require alternation or deletion. In view of this, it is proposed to replace the entire existing AoA by a set

of new Articles incorporating all the changes to be made in it.

The new AoA to be substituted in place of existing AoA are based on Table-F of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

As per provisions of Section 13 of the Act, a Special Resolution has to be passed by the members of the Company for adoption of AoA and accordingly, the Board recommends the Special Resolution set out at Item No 3 of the Notice for the approval of the members.

A copy of amended and restated AoA of the Company would be available for inspection at the Registered Office of the Company during the business hours on any working day.

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

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DIRECTORS' REPORT

Your directors present their Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2020.

(₹ in lakhs)

Financial Results	Current Year 2019-20	Previous Year 2018-19
Net Sales from operation	225.36	373.44
Other Income	30.86	41.98
Total	256.22	415.42
Profit before Finance Cost & Depreciation	9.09	76.55
Finance Cost	0.05	0.04
Depreciation	4.58	5.48
Profit before Tax Provisions	4.46	71.03
Tax Expenses		
Tax provision – Current / provision of previous years	2.01	11.75
Deferred Tax Provision / (Credit)	0.44	0.22
Net Profit for the Year	2.01	59.06

Dividend

With a view to augment the working capital resources, your Board of Directors does not recommend any dividend for the year 2019-20.

Transfer to Reserve

Your directors do not propose to transfer any amount to reserves. The profits earned during the year shall be carried forward in the Profit & Loss account of the Company.

Operations

The Company has achieved net sales of Rs 225.36 lakh during the year 2019-20 as against Rs 373.44 lakh of the previous year. Other income earned during the year under review was Rs 30.86 lakh. The Company has earned a Profit Before Tax of Rs 4.46 lakh against Rs 71.03 lakh of the previous year. After considering the short provision of Tax of Rs 2.01 lakh related to earlier years and deferred tax provision of Rs 0.44 lakh the Net Profit of the Company for the year 2019-20 was Rs 2.01 lakh. The performance of the Company during the year 2019-20 was impacted due to the reduction of FRP business from automotive sector. The Net Sales achieved by the Company includes Rs 107.84 lakh from Fiber Glass Reinforced

Plastic (FRP) division and Rs 117.52 lakh from Fabrication division.

Current year

The Company has opened the current financial year with an order backlog of Rs 62 lakhs, which includes orders worth Rs 54 lakhs of fabricated items for rolling stock & rail products. The outbreak of Covid-19 pandemic has resulted in slow down of economy especially the case automotive sector has affected FRP business of the Company. To tide over the same, the Company is in the process of developing FRP items for Rail vehicle application. Due to imposition of multiple lockdowns by State and Central Governments, the fabrication business is also affected. While the Company has resumed its operations in a phased manner, the slowdown of economic activity is likely to affect the current year performance of the Company.

Directors

Mr. Milind S Thakker will retire by rotation and being eligible, offers herself for re-appointment.

Public Deposits

The Company has not accepted any public deposit

from the public or from the members during the year under review and no amounts on account of principal or interest was outstanding as on the date of the Balance Sheet.

Particulars of loans, guarantees or investments

The Company has not given any loans or guarantees covered under Sec 186 of the Companies Act, 2013. The details of investment of surplus short term amount in mutual funds are furnished in the financial statement provided in this annual report.

Directors' Responsibility Statement

Pursuant to Section 134(3) the Companies Act, 2013, the Board of Directors confirms that:

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

Corporate Governance

Constitution of the Board

The present strength of the Board of Directors is three directors. The Board comprises of two promoter directors and one non-promoter professional director.

Board Meetings

The Board meetings are conducted at least once every quarter to consider strategy and policy issues,

matters relating to the operations of the Company and also to review finances of the Company. The Board met four times during the financial year under review. The meetings were held on June 26, 2019, July 10, 2019, November 6, 2019 and February 10, 2020. Number of board meetings attended by directors is as under:

Name of Director	No of board Meetings held	No of Board meetings attended
Mr. Milind S Thakker	4	4
Mr. Jasjiv Sahney	4	3
Mrs. Anjana M Thakker	4	4

Related party transactions

The transactions between the Company and its related party during the year 2019-20 were in the ordinary course of business and based on the principles of arm's length. The details of related party transactions for the year ending March 31, 2020 is furnished in form AOC-2 as Annexure A.

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 an internal complaint committee has been constituted to address the grievances. There were no cases of sexual harassment complaints received by the Company in the financial year 2019-20.

Extracts of Annual Return

The details forming part of the extract of Annual Return in form MGT-9 is annexed herewith as Annexure B.

Risk Management Framework

The Company has put in sufficient internal control systems to take care of operating risk.

Auditors

At the Annual General Meeting (AGM) held on August 17, 2017, M/s N. R. Rajagopalan & Co, Chartered Accountants were appointed as statutory auditors of the Company for a period of five years. Accordingly they hold office of statutory auditors till the conclusion of AGM to be held in the calendar year 2022.

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Particulars of Employees

There was no employee employed during the year or part of the year falling within the purview of provisions of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Information required under section 134(m) of the Companies Act, 2013.

(a) Conservation of energy

The consumption of energy by the Company is not significant. However, the Company is making continuous efforts to conserve and optimize energy consumption wherever practicable by economizing on fuel and power and also through improved methods of production.

(b) (i) Research and Development

During the year the Research & Development was carried out in the areas of product design and improvement of both fabricated and FRP items.

(ii) Technology absorption, adoption and innovation

The company is innovating and developing new FRP products from time to time. No outside

technical collaboration is in force as on the date.

c) Foreign Exchange Earnings & Outflow:

The foreign exchange earned and spent are as under: (Rs in lakhs)

Foreign Exchange earnings:	NIL
Foreign Exchange outflow:	NIL

Significant orders by regulators/courts/tribunals

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

Acknowledgement

The Directors wish to place on record their sincere appreciation of the co-operation and the assistance extended by Company's Bankers. The Directors thank all the members for their confidence reposed in the Company. The directors also place on record their appreciation of the dedicated services rendered by the employees at all levels.

By Order of the Board of Directors

Sliema, Malta
28th August, 2020

Milind S Thakker
Chairman

Annexure A**Form No AOC-2**

(Pursuant to clause (h) of Sub-section (3) of section 134 of the Companies Act, 2013
and Rule 8(2) Rule 82) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions 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 2019-20.

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

Sl no	Name(s) of related party or nature of relationship	Nature of the contracts / arrangements/ transactions	Duration of the contract / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
i	San Engineering & Locomotive Co Ltd	Rent Contract	Three years	Lease of shed at Whitefield Road, Bangalore on monthly rent of Rs 14.16 lakh	April 1, 2017	NIL
ii	San Engineering & Locomotive Co Ltd	Purchase & Supply of material	On going	Purchase material and Supply of sub-assemblies for locomotives valued at Rs 169.95 lakh	June 26, 2019	NIL

Annexure B

Form No. MGT-9 EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN	: U34103KA1997PLC101338
ii. Registration Date	: 11/09/1999
iii. Name of the Company	: San Motors Ltd
iv. Category / Sub-Category of the Company	: Manufacturing
v. Address of the Registered office and contact details:	Whitefield Road, Mahadevapura Post Bengaluru - 560 048
Tel	: (080) 4244 9200
Email	: umavs@sanmotors.com
vi. Whether listed Company	: No
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	: Canbank Computer Services Ltd., R & T Centre, 218, J P Royale, 1st Floor, 2nd Main, Sampige Road, Malleswaram, Bengaluru - 560 003.
Tel	: 080 - 23469661/62/64/65
Fax	: 080 - 23469668
Email	: canbankrta@csl.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Products/Services	% to total turnover of the company
1	Fibre Glass Articles	701400	48%
2	Fabricated Items	870800	52%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% Shares	Applicable Section
1	San Engineering & Locomotive Co Ltd	U74210KA1973 PLC002424	Holding Co	99.16%	2(87)(i)

IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

i) Category-wise Share Holding

Sl No	Category of Shareholders	No. of Shares held at the beginning of the year i.e., 01.04.2019				No. of Shares held at the end of the year i.e., 31.03.2020				% of Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
1	Indian									
a	Individual / HUF	21000	0	21000	0.84	21000	0	21000	0.84	0
b	Central Government / State Government	-	-	-	-	-	-	-	-	-
c	Bodies Corporate	2471694	7306	2479000	99.16	2479000	-	2479000	99.16	0
d	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e	Others - Trust	-	-	-	-	-	-	-	-	-
	Sub Total (A)(1)	2492694	7306	2500000	100.00	2500000	0	2500000	100.00	0
2	Foreign									
a	Individual (Non-Resident individuals /Foreign Individuals)	-	-	-	-	-	-	-	-	-
b	Bodies Corporate	-	-	-	-	-	-	-	-	-
c	Institutions	-	-	-	-	-	-	-	-	-
d	Qualified foreign investor	-	-	-	-	-	-	-	-	-
e	Others - Trust	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0
	Total Shareholding of Promoter and Promote Group (A)	2492694	7306	2500000	100.00	2500000	0	2500000	100.00	0
B	Public Shareholding									
1	Institutions									
a	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
c	Central Government / State Government	-	-	-	-	-	-	-	-	-
d	Venture Capital Funds	-	-	-	-	-	-	-	-	-
e	Insurance Companies	-	-	-	-	-	-	-	-	-
f	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
g	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
i	Foreign Portfolio Investors (Corporate)	-	-	-	-	-	-	-	-	-
j	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	0	0	0	0	0	0	0	0	0

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Sl No	Category of Shareholders	No. of Shares held at the beginning of the year i.e., 01.04.2019				No. of Shares held at the end of the year i.e., 31.03.2020				% of Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	Non-Institutions									
a	Bodies Corporate	0	0	0	0.00	-	0	0	0.00	0.00
b	Individuals -									
i	Individual shareholder holding nominal share capital up to Rs 1 lakh	0	0	0	0.00	-	0	0	0.00	0.00
ii	Individual shareholder holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
d	Any Other	-	-	-	-	-	-	-	-	-
i	Trusts	-	-	-	-	-	-	-	-	-
ii	Foreign Companies	-	-	-	-	-	-	-	-	-
iii	Clearing Members / Clearing House	-	-	-	-	-	-	-	-	-
	Sub Total (B)(2)	0	0	0	0	0	0	0	0	0.00
	Total Public Shareholding B=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0.00
	TOTAL (A) + (B)	0	7306	7306	0.29	2500000	0	2500000	100.00	0
C	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0.00
	GRAND TOTAL (A)+(B)+(C)	2492694	7306	2500000	100.00	2500000	0	2500000	100.00	0

ii) Shareholding of Promoters

Sl No	Shareholder's Name	No. of Shares held at the beginning of the year i.e., 01.04.2019			No. of Shares held at the end of the year i.e., 31.03.2020			% of Change during the year
		No of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	San Engineering & Locomotive Co Ltd	2479000	99.16	-	2479000	99.16	-	0.0
2	Sadhana S Thakker	21000	0.84	-	21000	0.84	-	0.0

iii) Change in Promoters' Shareholding (please specify, if there is not change)

Sl No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
-	-	-	-	-	-

iv) Shareholding pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs)

Sl No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
-	-	-	-	-	-

v) Shareholding of Directors and Key Managerial Personnel

Sl No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
-	-	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment
Rs / Lakhs

Particulars of Remuneration	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in indebtedness during the financial year				
Additional	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, whole-time Directors and / or Manager:

Sl. No.	Particulars of Remuneration	Name of the MD/WTYD/ Manager
		Mrs. Anjana M Thakker
1	Gross Salary	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	24.84
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
5	Others, Allowances	-
	Total (A)	24.84
	Ceiling as per the Act (At 5% of profits calculated under Section 198 of the companies Act, 2013)	0.22

Note: Managerial remuneration is paid within the permissible limits of Schedule V of Companies Act, 2013, as applicable to the Company.

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B. Remuneration of other directors

Rs / lakhs

Sl. No.	Names of Directors	Fee for attending board / committee meetings	Commission	Others	Total Amount
1	Promotor Director				
	Milind S Thakker	0.20	-	-	0.20
	Total (1)	0.20	-	-	0.20
2	Other Non-Executive Directors				
	Jasjiv Shaney	0.20	-	-	0.20
	Total (2)	0.20	-	-	0.20
	Total Managerial Remuneration (1+2)	0.40	-	-	0.40
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)		-	-	NA

C. Remuneration to Key Managerial Personnel other than Managing Director / Whole-time Director / Manager

Rs / lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
1	Gross Salary	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others, Allowances	-	-
	Total (A)	-	-

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There was no penalties, punishment or compounding of offences during the year ended March 31, 2020

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF SAN MOTORS LTD.****Report on the Audit of the Financial Statements****Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the 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 Auditor's of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note No.30 to the standalone financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required to be made for the financial results and carrying value of assets and liabilities as it does not have any impact for the current financial year. However, in view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is dependent upon circumstances as they evolve.

Other Information

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

Our opinion on the financial statements does not cover the

other information and we do not express any form of assurance and conclusion thereon.

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

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

The Company's Board of Directors 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.

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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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of

India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of Accounts.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (h) As required by Section 197(16) of the Act, we report that the remuneration paid by the company to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

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

K.G PURUSHOTHAMAN
Partner

Membership No. 028537

Place : Chennai UDIN No. : 20018376AAAAAD1096
Date : 28th August 2020

“ANNEXURE A” TO THE INDEPENDENT AUDITORS REPORT

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

- (i) In respect of the Company’s fixed assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification
- (c) The Company does not own any immovable Property.
- (ii) The inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of account.
- (iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.
- (iv) Based on our audit procedures & according to the information and explanation given to us, the Company has neither given any loan, guarantees or security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore clause 3(iv) of the Order is not applicable to the Company.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.
- (vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, except for few delays, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues as applicable with the appropriate authorities. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues were in arrears, as at 31 March 2020 for a period of more than six months from the date they became payable.
- (b) There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, Goods and Services Tax (GST) which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.
- (ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.
- (xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during

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the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **N. R. RAJAGOPALAN & CO.,**

Chartered Accountants

Firm Registration No. 003400S

K.G PURUSHOTHAMAN

Partner

Membership No. 028537

Place : Chennai UDIN No. : 20018376AAAAAD1096

Date : 28th August 2020

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of M/S. SAN MOTORS LIMITED ("the Company") as of 31 March 2020 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has maintained, 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 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

K.G PURUSHOTHAMAN
Partner

Membership No. 028537

Place : Chennai UDIN No. : 20018376AAAAAD1096

Date : 28th August 2020

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BALANCE SHEET AS AT 31ST MARCH 2020

Particulars	Note No.	₹	As at 31 st March 2020 ₹	As at 31 st March 2019 ₹
EQUITIES AND LIABILITIES :				
Shareholders' Funds :				
Share Capital	2	2,50,00,000		2,50,00,000
Reserves and Surplus	3	5,99,89,857		5,97,88,834
			8,49,89,857	8,47,88,834
Non Current Liabilities :				
Deffered Tax Liability (Net)	4	2,75,389		2,31,628
Long Term Provisions	5	26,09,355		26,70,579
			28,84,745	29,02,208
Current Liabilities :				
Trade Payables	6	30,05,308		29,51,755
Other Current Liabilities	7	15,98,055		17,80,836
Short Term Provisions	8	77,90,000		77,90,000
			1,23,93,363	1,25,22,591
TOTAL			10,02,67,965	10,02,13,633
ASSETS :				
Non Current Assets				
Fixed Assets				
Tangible Assets	9		43,95,464	46,70,141
Non Current Investments	10		10,000	10,000
Long Term Loans & Advances	11		1,43,24,135	1,42,27,340
Current Assets				
Current Investments	12	6,68,02,103		6,71,07,269
Inventories	13	54,24,358		47,17,215
Trade Receivables	14	13,85,229		29,83,062
Cash & Cash Equivalents	15	78,97,001		62,30,527
Short Term Loans & Advances	16	29,675		2,68,079
			8,15,38,366	8,13,06,152
TOTAL			10,02,67,965	10,02,13,633
Significant Accounting Policies	1			
The accompanying notes are an integral part of the financial statements.				
As per our report of even date attached.				
For N. R. RAJAGOPALAN & CO. , Firm Registration No. 003400S Chartered Accountants	MILIND S THAKKER Chairman DIN:00617882		JASJIV SAHNEY Director DIN:00022886	
K. G. PURUSHOTHAMAN Membership No. 028537 Partner				
Place : Chennai Dated: 28th August, 2020	Place : Sliema, Malta Dated : 28th August, 2020		Place : Bengaluru Dated : 28th August, 2020	

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	Note No.	Year Ended 31 st March 2020 ₹	Year Ended 31 st March 2019 ₹
INCOME :			
Revenue from Operations (Gross)	17	2,57,95,437	4,03,78,116
Less : Excise Duty/GST		<u>32,59,375</u>	<u>30,34,186</u>
Revenue from Operations (Net)		2,25,36,062	3,73,43,930
Other Income	18	<u>30,86,094</u>	<u>41,97,985</u>
TOTAL REVENUE		<u>2,56,22,156</u>	<u>4,15,41,915</u>
EXPENSES :			
Cost of Materials Consumed	19	81,41,293	1,40,41,321
Changes in Inventories of Finished Goods & Work in Progress	20	(6,43,791)	3,24,944
Employee Benefit Expenses	21	1,20,57,301	1,28,49,610
Finance Cost	22	5,404	3,901
Depreciation and Amortization		4,57,527	5,48,387
Other Expenses	23	<u>51,58,184</u>	<u>66,71,181</u>
TOTAL EXPENSES		<u>2,51,75,918</u>	<u>3,44,39,344</u>
Profit before tax		4,46,238	71,02,571
Tax Expenses			
Current Tax		0	11,75,000
Excess/Short provision related to prior years		2,01,455	0
Deferred Tax (Credit)		<u>43,760</u>	<u>21,839</u>
Profit for the year		<u>2,01,023</u>	<u>59,05,732</u>
Earning per Equity Share			
Basic	24	0.18	2.37
Diluted		0.18	2.37

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

As per our report of even date attached.

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

MILIND S THAKKER
Chairman
DIN:00617882

JASJIV SAHNEY
Director
DIN:00022886

K.G. PURUSHOTHAMAN
Membership No.028537
Partner

Place : Chennai
Dated : 28th August, 2020

Place : Sliema, Malta
Dated : 28th August, 2020

Place : Bengaluru
Dated : 28th August, 2020

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	₹	2019-20 ₹	2018-19 ₹
A) CASH FLOW FROM OPERATING ACTIVITIES :			
Net profit before tax and extra ordinary items		4,46,238	71,02,571
Depreciation		4,57,527	5,48,387
Finance Cost		5,404	3,901
Dividend Income from Current Investments	(30,84,094)		(37,80,962)
		<u>(26,21,163)</u>	<u>(32,28,674)</u>
Operating Profit before Working Capital Changes		(21,74,925)	38,73,897
Adjustments for (Increase)/Decrease in Operating Assets			
Inventories	(7,07,143)		3,07,407
Trade Receivables	15,97,833		18,50,886
Short Term/Long term Loans & Advances	1,41,609		(10,72,171)
		<u>10,32,299</u>	<u>10,86,122</u>
Adjustments for (Increase)/Decrease in Operating Liabilities			
Trade Payables	53,553		(7,41,855)
Short Term Borrowings/Provisions	-	11,75,000	
Other Current Liabilities	(1,82,780)		9,41,661
Long Term Provisions	(61,224)		9,63,660
		<u>(1,90,451)</u>	<u>20,79,185</u>
Cash Generated from Operations		(13,33,077)	70,39,204
Less Direct Taxes Paid		-	11,75,000
Cash Inflow before Extra Ordinary Items		(13,33,077)	58,64,204
Add : Excess/Short provision related to prior years		(2,01,455)	-
Net Cash Generated from Operating Activities (A)		<u>(15,34,532)</u>	<u>58,64,204</u>
B) CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Property, Plant and Equipment		(1,82,850)	(2,93,856)
Dividend Income from Current Investments	30,84,094		37,80,962
Sale / Purchase of current investment	3,05,166		(77,32,548)
		<u>33,89,260</u>	<u>(39,51,586)</u>
Net Cash used in Investing Activities (B)		<u>32,06,410</u>	<u>(42,45,442)</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	2019-20 ₹	2018-19 ₹
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Finance Cost	(5,404)	(3,901)
Net Cash used in Financing Activities (C)	(5,404)	(3,901)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	16,66,474	16,14,861
Add: Cash & Cash Equivalents as at 1.4.2019	62,30,527	46,15,666
CASH & CASH EQUIVALENTS AS AT 31.03.2020	78,97,001	62,30,527

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

As per our report of even date attached.

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

MILIND S THAKKER
Chairman
DIN:00617882

JASJIV SAHNEY
Director
DIN:00022886

K.G. PURUSHOTHAMAN
Membership No. 028537
Partner

Place : Chennai
Dated: 28th August, 2020

Place : Sliema, Malta
Dated : 28th August, 2020

Place : Bengaluru
Dated : 28th August, 2020

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

a. Fixed Assets :

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

b. Depreciation

- i) Plant and machinery and other assets are depreciated under SLM 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 SLM based on the remaining useful life on the carrying cost by retaining 5% of cost as residual value.

c. Investments

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 included direct costs including systematic allocation based on machine hours rate and administrative overheads. The guidelines on Accounting standard 2 was considered and the value is exclusive of GST.
- iii) Obsolete, slow moving inventories carried over in the Books of Accounts are identified at the time of physical verification and are valued at net realisable value.

e. Revenue Recognition

Sales are accounted at the time of despatch of Goods. Gross sales includes Excise Duty/GST and excludes VAT/CST, net off discounts and Sales Returns 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 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 & charged to Revenue. The Company has no further obligations for future Provident Fund benefits other than annual contributions.

ii) Gratuity :

The Company has recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actual valuation techniques.

iii) 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 restricted to 60 days.

g. GST Inputs :

Input Tax Credit is taken into account at the time of purchase. GST on purchase of capital items wherever applicable are taken into account as and when the assets are acquired. The Input Tax Credit so taken are utilised for payment of Output Tax. The unutilised ITC is carried forward in the books.

h. Foreign Currency Transactions :

No foreign currency transactions was recorded during the year.

i. Taxation:

i) Provision for current tax is made with reference to taxable income computed for the accounting year by applying the tax rates as applicable.

ii) Deferred tax is calculated for in respect of all timing differences on a liability method as per Accounting Standard 22.

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

B NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2020

- 1 GST Input availed during the year Rs. 22,26,566 (Previous year Rs 36,93,671)
- 2 In respect of Sundry Creditors and Sundry Debtors, the balances are appearing as per the books of account.
- 3 As the product warranty is not quantifiable due to low sales volumes the same has not been ascertained.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Particulars	As at 31.03.2020		As at 31.03.2019	
	In Numbers	₹	In Numbers	₹
2. SHARE CAPITAL				
Authorised :				
3,000,000 - Equity Shares of ₹ 10/-	30,00,000	3,00,00,000	30,00,000	3,00,00,000
TOTAL		<u>3,00,00,000</u>		<u>3,00,00,000</u>
Issued,Subscribed & Paid up :				
25,00,000 - Equity Shares of ₹ 10/- each		<u>2,50,00,000</u>	25,00,000	<u>2,50,00,000</u>
a. Reconciliation of the number of shares				
Shares outstanding at the beginning of the year	25,00,000	2,50,00,000	25,00,000	2,50,00,000
Shares outstanding at the end of the year	25,00,000	2,50,00,000	25,00,000	2,50,00,000
b. Details of Shareholders holding more than 5% shares in the Company				
Name of the Shareholder	Equity Shares			
	As at 31.03.2020		As at 31.03.2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
San Engineerign and Locomotive Co. Ltd.	24,79,000	99.16	24,79,000	99.16
Particulars	As at 31.03.2020		As at 31.03.2019	
	₹		₹	
3. RESERVES AND SURPLUS				
Surplus / (Deficit) in Profit and Loss Account				
Opening Balance		5,97,88,834		5,38,83,102
Add : Profit for the year		2,01,023		59,05,732
Closing Balance		<u>5,99,89,857</u>		<u>5,97,88,834</u>
TOTAL		<u>5,99,89,857</u>		<u>5,97,88,834</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Particulars	As at 31.03.2020	As at 31.03.2019
	₹	₹
4. DEFERRED TAX LIABILITY		
Deferred Tax Liability	2,75,389	2,31,628
TOTAL	<u>2,75,389</u>	<u>2,31,628</u>
5. LONG TERM PROVISIONS		
Provision for Employee Benefits	22,63,790	21,82,875
Leave Encashment	3,45,565	4,87,704
TOTAL	<u>26,09,355</u>	<u>26,70,579</u>
6. TRADE PAYABLES		
Trade Payables	30,05,308	29,51,755
TOTAL	<u>30,05,308</u>	<u>29,51,755</u>
7. OTHER CURRENT LIABILITIES		
Accrued Salaries & Benefits	50,664	8,22,708
Statutory Dues	59,341	81,016
Other Liabilities	14,88,050	8,77,112
TOTAL	<u>15,98,055</u>	<u>17,80,836</u>
8. SHORT TERM PROVISION		
Provision for Taxation	77,90,000	77,90,000
TOTAL	<u>77,90,000</u>	<u>77,90,000</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

9. PROPERTY, PLANT AND EQUIPMENT TANGIBLE ASSETS

Description of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1.4.2019 ₹	Additions Adjustments ₹	Deductions/ Adjustments ₹	As at 31.3.2020 ₹	Upto 1.4.2019 ₹	With drawn ₹	For the year ₹	Upto 31.3.2020 ₹	As at 31.3.2020 ₹	As at 31.3.2019 ₹
Plant & Machinery	2,27,51,202	1,82,850	0	2,29,34,052	1,87,39,343	0	2,33,685	1,89,73,028	39,61,024	40,11,859
Furniture, Fixture & Office Equipment	5,44,460	0	0	5,44,460	4,36,250	0	3,441	4,39,691	1,04,769	1,08,210
Vehicles	15,64,447	0	0	15,64,447	10,14,375	0	2,20,401	12,34,776	3,29,671	5,50,072
TOTAL	2,48,60,109	1,82,850	0	2,50,42,959	2,01,89,968	0	4,57,527	2,06,47,495	43,95,464	46,70,141
Previous year Total	2,45,66,253	2,93,856	0	2,48,60,109	1,96,41,581	0	5,48,387	2,01,89,968	46,70,141	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Particulars	As at 31.03.2020	As at 31.03.2019
	₹	₹
10. NON CURRENT INVESTMENTS		
TRADE INVESTMENTS :		
Investments in NSC	10,000	10,000
TOTAL	<u>10,000</u>	<u>10,000</u>
11. LONG TERM LOANS AND ADVANCES		
Security Deposits - Unsecured, Considered good	9,700	9,700
Other Loans and Advances	1,000	-
Income Tax	1,43,13,435	1,42,17,640
TOTAL	<u>1,43,24,135</u>	<u>1,42,27,340</u>
12. CURRENT INVESTMENTS		
ICICI Mutual Fund	-	8,65,901
SBI Premier Liquid Funds	6,68,02,103	6,62,41,368
TOTAL	<u>6,68,02,103</u>	<u>6,71,07,269</u>
13. INVENTORIES		
Raw Materials & Components	17,48,576	16,85,223
Finished Goods	6,45,073	9,80,907
Work in Progress	30,30,710	20,51,085
TOTAL	<u>54,24,358</u>	<u>47,17,215</u>
14. TRADE RECEIVABLES		
Debts outstanding Less than 6 Months from the date they are due for payment - Unsecured, Considered good	10,97,126	26,94,959
Debts outstanding More than 6 Months from the date they are due for payment - Unsecured, Considered good	2,88,103	2,88,103
TOTAL	<u>13,85,229</u>	<u>29,83,062</u>
15. CASH & CASH EQUIVALENTS		
Balances with Banks -Current Accounts	78,96,936	62,26,493
Cash on hand	65	4,034
TOTAL	<u>78,97,001</u>	<u>62,30,527</u>
16. SHORT TERM LOANS & ADVANCES		
Unsecured considered good		
Balances with Statutory / Government Authorities	29,675	8,797
Advances to Suppliers	-	2,59,282
TOTAL	<u>29,675</u>	<u>2,68,079</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
	₹	₹
17. GROSS REVENUE FROM OPERATIONS		
Sale of Products		
FRP Components	1,24,32,182	2,76,16,780
Fabrication/others	1,33,63,255	1,27,61,336
TOTAL	<u>2,57,95,437</u>	<u>4,03,78,116</u>
NET REVENUE FROM OPERATIONS		
Sale of Products		
FRP Components	1,07,84,242	2,51,48,322
Fabrication/others	1,17,51,820	1,21,95,608
TOTAL	<u>2,25,36,062</u>	<u>3,73,43,930</u>
18. OTHER INCOME		
Interest/Dividend	30,84,094	37,80,962
Other Non Operating Income	2,000	4,17,023
TOTAL	<u>30,86,094</u>	<u>41,97,985</u>
19. COST OF RAW MATERIALS & COMPONENTS CONSUMED		
Inventory at the beginning of the year	11,84,056	9,86,358
Add : Purchases	83,50,063	1,42,39,019
	95,34,119	1,52,25,377
Less : Inventory at the end of the year	13,92,826	11,84,056
Cost of Raw Materials consumed	<u>81,41,293</u>	<u>1,40,41,321</u>
Details of Raw Materials & Components Consumed		
Steel	49,54,382	57,36,658
Resins	11,98,867	51,40,726
Chopped Strand Mat	7,48,722	17,46,445
Paint/Primier/Hardner	4,30,536	10,03,911
Others	8,08,786	4,13,581
TOTAL	<u>81,41,293</u>	<u>1,40,41,321</u>
20. CHANGES IN INVENTORIES OF INTERNALLY MANUFACTURED FINISHED GOODS & WORK IN PROGRESS		
Finished Goods/Work in Progress at the end of the year	36,75,783	30,31,992
Finished Goods/Work in Progress at the beginning of the year	30,31,992	33,56,936
(Increase) / Decrease in Finished Goods/Work in Progress	<u>(6,43,791)</u>	<u>3,24,944</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
	₹	₹
21. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	90,48,153	1,18,14,702
Contribution to Provident & Other Funds	29,39,463	10,19,864
Staff Welfare Expenses	69,685	15,044
TOTAL	<u>1,20,57,301</u>	<u>1,28,49,610</u>
22. FINANCE COST		
Bank Charges	5,404	3,901
TOTAL	<u>5,404</u>	<u>3,901</u>
23. OTHER EXPENSES		
Consumption of Stores & Spares	11,59,309	16,64,302
Power and Fuel	7,57,650	7,61,305
Job Charges	3,54,158	4,90,103
Rent	12,00,000	12,00,000
Rates and Taxes	29,790	63,230
Insurance	47,764	1,01,474
Freight Outwards	76,824	-
Vehicle Maintenance	7,495	52,964
Professional Charges	5,35,717	3,07,875
Printing & Stationery	60,328	59,857
Travelling Expenses	3,40,151	6,97,435
Telephone Charges	56,864	64,100
Repairs & Maintenance		
Plant & Machinery	77,351	7,670
Others	47,545	7,91,841
General Expenses	2,09,253	1,82,726
Payment Auditors		
Statutory Audit	1,50,000	1,60,000
Reimbursement of Expenses	7,986	16,299
Directors Sitting Fees	40,000	50,000
TOTAL	<u>51,58,184</u>	<u>66,71,181</u>
24. Earning per Share		
Profit after Taxation	4,46,238	59,27,571
Number of Equity Shares Outstanding	25,00,000	25,00,000
Basic and Diluted earning per share in Rupee	0.18	2.37
Face value of ₹ 10/- per share		

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
	₹	₹
25. Contingent Liabilities		
Contingent Liabilities & Commitments (To the extent not provided for)	Nil	Nil
26. Income Tax Assessment is completed upto Assessment year 2015-16		
27. Particulars of Consumption		
Raw Materials		
- Indigenous	81,41,293	1,40,41,321
TOTAL	81,41,293	1,40,41,321
Stores & Consumables		
- Indigenous	11,59,309	16,64,302
TOTAL	11,59,309	16,64,302
28. Disclosure in respect of related parties pursuant to Accounting Standard 18:		
Key Managerial Personnel	Associates of Key Management Personnel	
Mr.Milind S.Thakker, Director	M/s San Engineering & Locomotive Co Ltd.	
Key Managerial Personnel / Associates	Nature of Transaction	2019-20
San Engineering & Locomotive Co Ltd.,	Rent	12,00,000
San Engineering & Locomotive Co Ltd.,	Supply of Materieals	1,22,33,608
Mrs. Anjana M thakker	Managerial Remuneration	26,82,720
		24,84,000
30. Impact of Covid-19 pandemic on business :		
<p>The outbreak of Covid-19 pandemic, has affected the business to a large scale. The Central and State Governments have taken series of measures to contain the outbreak, which includes imposing multiple lockdowns across the country and also restricted the usage of full manpower in the production facility. The pandemic has impacted the business of the Company since March 23, 2020,</p> <p>a. by way of interruption in production due to closure / lockdown of product facilities, b. unavailability of personnel c. disruption in supply chain and also d. customers rescheduling deliveries</p> <p>Adhering to the government guidelines, the Company resumed it operations in a phased manner with limited availability of employees and the process of scaling up its operations continues. While the impact on Company's business for the financial year ending March 31, 2020 was marginal, the interruption of production due to series of lockdowns in the last few months is likely to affect the current year sales and profitability of the Company.</p>		
As per our report of even date attached.		
For N. R. RAJAGOPALAN & CO., Firm Registration No. 003400S Chartered Accountants	MILIND S THAKKER Chairman DIN:00617882	JASJIV SAHNEY Director DIN:00022886
K. G. PURUSHOTHAMAN Membership No. 028537 Partner		
Place : Chennai Dated: 28th August, 2020	Place : Sliema, Malta Dated : 28th August, 2020	Place : Bengaluru Dated : 28th August, 2020