PRASAD & SRINATH
Chartered Accountants
Phone : 044 2498 2995 Email : prasad@sprasad.org website: www.sprasad.org
New No.7, Old No.5, Ground Floor, Abhiramapuram 1st Street, Abhiramapuram, Chennai - 600 018

Independent Auditors' Report
To the Board of Directors of
Sanmar Engineering Services Limited
9, Cathedral Road, Chennai 600 086
[Pursuant to Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) (Regulations 2015]

1. We have audited the accompanying Statement of Financial Results of Sanmar Engineering Services Limited ("the Company") for the year ended 31st March 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related financial statements which are in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

   We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An audit includes examining, on a test basis, evidence supporting amounts disclosed in the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   (i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

   (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the Net Loss and other financial information of the Company for the year ended 31st March 2016.

3. The Statement includes the results for the half year ended 31st March 2016 being the balancing figure between audited figures in respect of the full financial year and the year to date figures up to the second quarter of the current financial year which were not subject to Audit / Limited review by us as the Non-convertible Debentures were issued and listed on the BSE Limited in April 2016.

For PRASAD & SRINATH
Chartered Accountants
Firm Registration No.005826S

PRASAD & SRINATH CHARTERED ACCOUNTANTS CHENNAI-18

S PRASAD
Partner
Membership No.12847

Place: Chennai
Date: 30th May 2016

Sanmar Engineering Services Limited
Regd. Office: 9, Cathedral Road, Chennai 600 086
CIN: U65993TN1995PLC030445 Website: www.sesl.co.in
Phone: +91 44 2812 8722 / +91 44 2812 8724 Fax: +91 44 2811 2627

Half yearly financial results for the period ended March 31, 2016

Rs. Lacs

	Details	6 months ended 31/03/2016	6 months ended 31/03/2015	Current Year ended 31/03/2016	Previous Year ended 31/03/2015
		Unaudited	Unaudited	Audited	Audited
1.(a)	Net sales	242	315	491	472
(b)	Other operating income	-	-	-	-
	Total	**242**	**315**	**491**	**472**
2.	Expenditure				
(a)	Increase/Decrease in stock in trade and WIP	-	-	-	-
(b)	Consumption of Raw material	-	-	-	-
(c)	Purchase of traded goods	54	44	150	144
(d)	Employee cost	294	263	563	563
(e)	Depreciation	-	-	-	-
(f)	Other expenditure	221	22	244	141
(g)	**Total**	**569**	**329**	**956**	**848**
3.	Profit from operation before other income , interest and exceptional items (1-2)	(327)	(14)	(466)	(376)
4.	Other income	3	20	9	33
5.	Profit before interest & exceptional items (3+4)	(324)	6	(457)	(344)
6.	Interest	13,599	4,513	18,926	9,145
7.	Exceptional items	-	-	-	-
8.	Profit/(loss) from ordinary activities before tax (5-6-7)	(13,923)	(4,507)	(19,382)	(9,489)
9.	Tax expenses/(reversal)	(70)	(4)	(70)	(4)
10.	Net profit/(loss) from ordinary activities after tax (8-9)	(13,993)	(4,510)	(19,452)	(9,492)
11.	Extraordinary items (net of tax exp.)	-	-	-	-
12.	Net profit/(loss) for the period (10-11)	**(13,993)**	**(4,510)**	**(19,452)**	**(9,492)**
13.	Paid up Equity share capital (FV Rs. 10 per share)	53	53	53	53
14.	Paid up Debt capital	55,000	55,000	55,000	55,000
15.	Reserves excluding Revaluation Reserves as per BS of previous accounting year	(37,801)	(18,349)	(37,801)	(18,349)
16.	Networth	(40,990)	(18,936)	(40,990)	(18,936)
17.	Debenture Redemption Reserve	-	-	-	-
18.	Earnings Per Share	(2,640)	(851)	(3,670)	(1,791)
19.	Debt Equity Ratio	(1.46)	(3.01)	(1.46)	(3.01)
20.	Debt Service Coverage Ratio	(0.02)	0.0013	(0.02)	(0.04)
21.	Interest Service Coverage Ratio	(0.02)	0.0013	(0.02)	(0.04)

PRASAD & SRINATH CHARTERED ACCOUNTANTS CHENNAI-18

SANMAR ENGINEERING SERVICES LTD CHENNAI

Notes:

1. The figures for the corresponding previous period have been restated/regrouped wherever necessary, to make them comparable. The figures of last six months are the balancing figures between audited figure in respect of the full financial year and the year to date figures up to the second quarter of the respective financial years.

2. As on 31st March 2016, the Company had total borrowings of Rs.550 crores including unlisted optionally convertible and redeemable debentures of Rs.85 crores. The entire long term borrowings were repaid on 29th April 2016.

3. The Company has not created Debenture Redemption Reserve as the Company has not made Net Profit for the financial year 2015-16.

4. <u>Debentures issued, allotted and listed in the wholesale debt market segment of BSE Limited in April 2016</u>:

   * 16,560 principal protected fully redeemable non-convertible secured debentures of a face value of Rs.10 lacs each, aggregating to Rs.1656 crores (NCDs) (INE676Q07038).

   * The interest on the NCDs is payable only on the redemption date i.e. on 22nd April 2023.

   * The asset cover exceeds 100% of the principal amount of the NCDs.

5. The Company was given credit rating of "BWR BBB-" from M/s Brickwork Ratings India Private Limited.

6. Formulae for computation of ratios are as follows:

Debt Services Coverage Ratio	=	Earning before Interest and Tax / Interest Expense + Principal Repayments made during the period for long term loans
Interest Services Coverage Ratio	=	Earning before Interest and Tax / Interest Expense
Debt / Equity Ratio	=	Total Debt / Equity inclusive of retained earnings
Net Worth	=	Total assets less its current liabilities, long term debt, and miscellaneous expenses.

7. The statutory auditor has provided for the financial year 2015-16 and the statement of financial results herein, an audit report with unmodified opinion.

8. The above financial results for the half year and year to date ended 31st March 2016, have been reviewed and approved by the Board of Directors at their meeting held on May 30, 2016.

For Sanmar Engineering Services Limited

S Sankaran
Director
DIN: 00009172

Place : Chennai
Date : 30th May 2016

SANMAR ENGINEERING SERVICES LTD ★ CHENNAI