

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 2017 ("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 2017.
3. The Statement includes the results for the half year ended 31st March 2017 being the balancing figure between audited figures in respect of the full financial year and the year to date figures up to the first half year of the current financial year, which were not subject to Audit / Limited review by us.

For PRASAD & SRINATH

Chartered Accountants

Firm Registration No.005826S



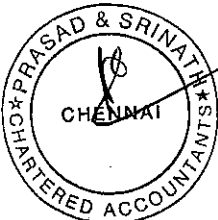
S PRASAD

Partner

Membership No.12847

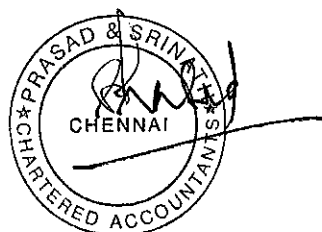
Place: Chennai

Date: May 30, 2017



(Rs. Lakhs)

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2017					
Particulars		Half Year ended		Year ended	
		March 31, 2017 (Unaudited)	March 31, 2016 (Unaudited)	March 31, 2017 (Audited)	March 31, 2016 (Audited)
1.(a)	Net sales	422	242	656	491
(b)	Other operating income	-	-	-	-
	Total	422	242	656	491
2.	Expenditure				
(a)	Increase/Decrease in stock in trade and WIP	-	-	-	-
(b)	Consumption of Raw material	-	-	-	-
(c)	Purchase of traded goods	167	54	229	150
(d)	Employee cost	104	294	191	563
(e)	Depreciation	-	-	0	-
(f)	Other expenditure	37	221	190	244
(g)	Total	308	569	610	956
	Profit from operation before other income , interest and exceptional items (1-2)	114	-327	46	-466
3.	Other income	316	3	548	9
4.	Profit before interest & exceptional items (3+4)	430	-324	594	-457
5.	Interest	12,341	13,599	27,404	18,926
6.	Exceptional items	-	-	-	-
7.	Profit/(loss) from ordinary activities before tax (5-6-7)	-11,911	-13,923	-26,811	-19,382
8.	Tax expenses/(reversal)	-	-70	-	-70
9.	Net profit/(loss) from ordinary activities after tax (8-9)	-11,911	-13,993	-26,811	-19,452
10.	Extraordinary items (net of tax exp.)	-	-	-	-
11.	Net profit/(loss) for the period (10-11)	-11,911	-13,993	-26,811	-19,452
12.	Paid up Equity share capital (FV Rs. 10 per share)	76	53	76	53
13.	Paid up Debt capital	321,020	55,000	321,020	55,000
14.	Reserves excluding Revaluation Reserves	-63,969	-37,801	-63,969	-37,801
15.	Debenture Redemption Reserve	-	-	-	-
16.	Earnings Per Share	-1,573	-2,640	-3,585	-3,670
17.	Debt Equity Ratio	-5.02	-1.46	-5.02	-1.46
18.	Debt Service Coverage Ratio	0.03	(0.02)	0.02	(0.02)
19.	Interest Service Coverage Ratio	0.03	(0.02)	0.02	(0.02)



STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2017

		(Rs. Lakhs)	
Sl. No.	Particulars	As at March 31, 2017 (Audited)	As at March 31, 2016 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share capital	76	53
	(b) Reserves and surplus	-63,969	-37,801
	Sub-total - Shareholders' Funds	-63,894	-37,748
2	Non Current Liabilities		
	(a) Long term borrowings	321,020	55,000
	(b) Other Long term liabilities	16,112	18,091
	Sub-total - Non Current Liabilities	337,132	73,091
3	Current Liabilities		
	(a) Trade payables	105	70
	(b) Other current liabilities	841	13,740
	Sub-total - Current Liabilities	946	13,811
	TOTAL - EQUITY AND LIABILITIES	274,184	49,154
B	ASSETS		
1	Non current assets		
	(a) Fixed Assets - Property, Plant & Equipment	0	0
	(b) Non current investments	272,061	45,583
	(c) Long term loan and advances	2	1
	(d) Other non current assets	572	2,487
	Sub-total - Non Current Assets	272,634	48,071
2	Current Assets		
	(a) Trade receivables	267	146
	(b) Cash and bank balances	306	24
	(c) Short term loans and advance	845	156
	(d) Other current assets	133	757
	Sub-total - Current Assets	1,550	1,083
	TOTAL - ASSETS	274,184	49,154

Notes

- 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 figures in respect of the full financial year and the year to date figures upto the second quarter of the respective financial years.
- The financial results have been prepared in compliance with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 read with the Rule 7 of Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 in respect of Section 133 of the Companies Act, 2013.
- The Company has not created debenture redemption reserve as the Company has not made net profit for the financial year 2016-17.
- Paid-up debt capital as on March 31, 2017, represents redeemable non convertible debentures issued and term loan taken from financial institution.
- There is no investors' grievances pending or received during the period under review.
- As on March 31, 2016, the Company had total borrowings of Rs 550 Crores including unlisted optionally convertible and redeemable debentures of Rs 85 crores. This entire long term borrowings were repaid on April 29, 2016.
- Debentures issued, allotted and listed in the wholesale debt market segment of BSE Limited during the period.
 - 19,902 principal protected fully redeemable non convertible secured debentures of face value of Rs 10 lacs each, aggregating to Rs 1990.2 crores (NCDs) (INE676Q07038)
 - The interest on the NCDs is payable on the redemption date i.e. on April 22, 2023.
 - Asset cover exceeds 100% of the principal amount of the NCDs.
- The Company was given credit rating of "BWR BBB-" from M/s Brickwork Ratings India Pvt. Ltd.
- Formulae for computation of ratios are as follows:

Debt Service Coverage Ratio = $\frac{\text{Earnings before Interest and tax}}{\text{Interest Expense} + \text{Principal Repayments made during the period for long-term loans}}$

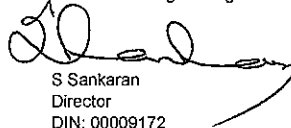
Interest Service Coverage Ratio = $\frac{\text{Earnings before Interest and tax}}{\text{Interest Expense}}$

Debt Equity Ratio = $\frac{\text{Total Debt}}{\text{Equity inclusive of retained earnings}}$

Net worth = Total assets less its current liabilities, long term debt, and Miscellaneous expenses

- The Statutory auditor has provided for the financial year 2016-17, and the statement of financial results here in, an audit report with unmodified opinion.
- The above financial results for the half year and year to date ended March 31, 2017, have been reviewed by the Audit committee and approved by the Board of Directors at the meeting held on May 30, 2017.

For Sanmar Engineering Services Limited


 S Sankaran
 Director
 DIN: 00009172

Place : Chennai
 Date : May 30, 2017

