SANMAR

Sanmar Engineering Services Limited

Regd Office:
9 Cathedral Road
Chennai 600 086 India
Tel + 91 44 2812 8500
www.sanmargroup.com
CIN U65993TN1995PLC030445

May 30, 2019

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Dear Sirs,

Sub: Audited Financial Statements for the year ended 31st March 2019

Ref: Security ID: 3SESL23; Security Code: 953841 - Redeemable Non Convertible Secured Debentures of Rs.10,00,000/- each issued on private placement basis.

This has reference to our letter dated May 14, 2019 with regard to submission of audited financial results for the year ended March 31, 2019.

Pursuant to Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose the audited Financial Statements for the financial year ended 31st March 2019, duly approved by the Board in its meeting held today i.e. 30th May 2019.

The Auditors Report on the Financial Statement for the Financial Year 2018-19 is also enclosed herewith.

Thanking you

Yours faithfully
For SANMAR ENGINEERING SERVICES LIMITED

SATYA NARAYAN NAYAK
Company Secretary
Membership No. ACS 18677

SANMAR ENGINEERING SERVICES LTD CHENNAI

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

AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. Lakhs)

	Particulars	Half year ended 31-03-2019	Half year ended 31-03-2018 (Restated)	Half year ended 31-03-2018	Full year ended 31-03-2019	Full year ended 31-03-2018 (Restated)	Full year ended 31-03-2018
		(Unudited)	(Unudited)	(Unudited)	(Audited)	(Audited)	(Audited)
1	**Revenue**						
(a)	Revenue from operations	679	1011	1011	1178	1935	1935
(b)	Other income	6	8	7	25	10	10
	Total Income	**685**	**1019**	**1018**	**1203**	**1945**	**1945**
2	**Expenses**						
(a)	Purchase of traded goods	334	612	612	539	1362	1362
(b)	Employee benefits expense	127	143	143	247	245	245
(c)	Other expenses	52	321	70	124	386	135
(d)	Depreciation and amortisation expense	-	0	0	-	0	0
(e)	Finance costs	16652	13344	13344	31835	26108	26108
	Total Expenses	**17166**	**14419**	**14169**	**32745**	**28101**	**27850**
	Profit / (Loss) before tax	**-16481**	**-13401**	**-13150**	**-31542**	**-26156**	**-25906**
3	**Tax expense:**						
(a)	Current Tax	-	-	-	-	-	-
(b)	Income Tax relating to earlier years	-	9	9	-	9	9
(c)	Deferred Tax	-	-	-	-	-	-
	Profit / (Loss) after tax	**-16481**	**-13410**	**-13160**	**-31542**	**-26165**	**-25915**
4	**Other Comprehensive Income:**						
(a)	Items that will not be reclassified to Profit or Loss in subsequent periods						
	- Remeasurement of Defined Benefit Plans	1	0	0	1	-1	-1
	- Income tax expense relating to above items	-	-	-	-	-	-
	Total Other Comprehensive Income	**1**	**0**	**0**	**1**	**-1**	**-1**
	Total Comprehensive Income	**-16479**	**-13410**	**-13159**	**-31541**	**-26166**	**-25916**
5	Paid up Equity share capital (Face value Rs. 10 per share)	76	76	76	76	76	76
6	Paid up Debt capital	381293	355905	355905	381293	355905	355905
7	Reserves excluding Revaluation Reserves	143777	175318	-89829	143777	175318	-89829
8	Networth	143853	175393	-89753	143853	175393	-89753
9	Debenture Redemption Reserve	0	0		0	0	0
10	Earnings Per Share (Rs per share)	-2177	-1771	-1738	-4166	-3456	-3423
11	Debt Equity Ratio	2.65	2.03	-3.97	2.65	2.03	-3.97
12	Debt Service Coverage Ratio	0.01	0.00	0.01	0.01	0.00	0.01
13	Interest Service Coverage Ratio	0.01	0.00	0.01	0.01	0.00	0.01

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE YEAR ENDED MARCH 31, 2019

(Rs. Lakhs)

	Particulars	Half year ended 31-03-2019	Half year ended 31-03-2018 (Restated)	Half year ended 31-03-2018	Full year ended 31-03-2019	Full year ended 31-03-2018 (restated)	Full year ended 31-03-2018
		(Unudited)	(Unudited)	(Unudited)	(Audited)	(Audited)	(Audited)
1	Segment Revenue / Income:						
(a)	Services	679	1011	1011	1178	1935	1935
(b)	Investing	-	-	-	-	-	-
(c)	Unallocated	-	-	-	-	-	-
	Total	679	1011	1011	1178	1935	1935
	Less: Inter-segment Revenue	-	-	-	-	-	-
	Net Sales / Income from Operations	**679**	**1011**	**1011**	**1178**	**1935**	**1935**
2	Segment Results (EBIT)						
(a)	Services	185	211	211	314	230	230
(b)	Investing	-13	-268	-17	-21	-278	-28
(c)	Unallocated	-	-	-	-	-	-
	Total	172	-56	194	293	-48	203
	Less: Finance Cost	16652	13344	13344	31835	26108	26108
	Add: Un-allocable income net off unallocable expediture	-	-	-	-	-	-
	Total Profit / (Loss) before tax	**-16481**	**-13401**	**-13150**	**-31542**	**-26156**	**-25906**
3	Segment Assets						
(a)	Services	1189	946	946	1189	946	946
(b)	Investing	524338	530801	265654	524338	530801	265654
(c)	Unallocated	-	-	-	-	-	-
	Total	**525527**	**531747**	**266600**	**525527**	**531747**	**266600**
4	Segment Liabilities						
(a)	Services	190	257	257	190	257	257
(b)	Investing	381485	356096	356096	381485	356096	356096
(c)	Unallocated	-	-	-	-	-	-
	Total	**381674**	**356354**	**356354**	**381674**	**356354**	**356354**

PRASAD & SR[illegible] CHARTERED ACCOUNTANTS CHENNAI

M.NO: 12847
30-5-2019

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STATEMENT OF AUDITED ASSETS AND LIABILITIES AS AT MARCH 31, 2019

(Rs. Lakhs)

Sl. No.	Particulars	As at March 31, 2019 (Audited)	As at March 31, 2018 (Restated) (Audited)	As at March 31, 2018 (Audited)
A	**ASSETS**			
1	**Non-current assets**			
	Property, plant and equipment	0	0	0
	Financial Assets			
	(i) Investments	524326	530806	265661
	(ii) Other Financial Assets	0	2	2
	Non-current tax assets (net)	111	222	222
		524437	531030	265885
2	**Current assets**			
	Inventories			
	Financial Assets			
	(i) Investments	683	74	74
	(ii) Trade Receivables	205	387	387
	(iii) Cash and cash equivalents	114	90	89
	(vi) Others Financial Assets	80	60	60
	Other current assets	7	105	105
		1090	717	716
	Total assets	**525527**	**531747**	**266600**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	Equity Share capital	76	76	76
	Other Equity	143777	175318	-89829
	Total equity	143853	175393	-89753
	Liabilities			
2	**Non-current liabilities**			
	Financial Liabilities			
	(i) Borrowings	381293	355905	355905
	(ii) Other Financial Liabilities	6	3	3
	Other non-current liability	137	137	137
		381436	356045	356045
3	**Current liabilities**			
	Financial Liabilities			
	(i) Trade Payables			
	(a) Total outstanding due of micro and small enterprises			
	(b) Total outstanding due of creditors other than micro and small enterprises	31	108	108
	(ii) Other financial liabilities	86	79	79
	Other current liabilities	116	98	98
	Current Tax Liability	5	24	24
		238	308	308
	Total liabilities	381674	356354	356354
	Total equity and liabilities	**525527**	**531747**	**266600**

PRASAD & SRINIVASAN * CHARTERED ACCOUNTANTS * CHENNAI

M.No: 12847
30.5.2019

SANMAR ENGINEERING SERVICES LTD * CHENNAI

Notes

1. The above financial results for the year ended March 31, 2019 were reviewed and approved by the Board of Directors at their meeting held on May 30, 2019.

2. The financials have been prepared in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

3 The Company has considered business segment as the primary segment. The business activities reflected in the financial statements comprise of sale and repair, testing and reconditioning service of mechanical seals & safety valves and investing activities. Accordingly, the reportable primary segments are Services and Investing activities as per IND AS 108 (Operating Segments).

4 The Scheme of Arrangement ("the Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act 2013, inter alia, between (i) Chemplast Sanmar Limited ("Transferee Company 1 / Demerged Company") and Chemplast Cuddalore Vinyls Limited ("Resulting Company") and their respective shareholders and creditors; (ii) Chemplast Sanmar Limited and Sanmar Speciality Chemicals Limited ("Transferor Company 1") and their respective shareholders and creditors and (iii) the Company ("Transferee Company 2") and SHL Securities (Alpha) Limited ("Transferor Company 2"); was approved by the Board of Directors of all the Companies concerned on 21st December 2018. Pursuant to the Scheme, Transferor Company 2 was amalgamated with the Company vide the Order of the National Company Law Tribunal, Chennai ("NCLT"). The Scheme was given effect by filing a certified copy of the Order of NCLT on 24th May 2019 with the Registrar of Companies, Tamil Nadu, Chennai. The Scheme is effective from the Appointed date - 1st April 2018. The merger has been accounted under the pooling of interests method in accordance with Ind AS 103 – Business Combinations, notified under Section 133 of the Companies Act, 2013 and accordingly comparatives have been restated for merger from the beginning of the previous year i.e. 1st April 2017. In addition to restated previous period comparatives, previous period figures as reported earlier, without IND AS Scheme adjustments is also given for information.

5 The Company has not created debenture redemption reserve as the Company has not made net profit for the year ended March 31, 2019.

6 Paid-up debt capital as on March 31, 2019, represents redeemable non convertible debentures issued and term loan taken from financial institution.

7 There is no investors' grievances pending or received during the period under review.

8 Debentures issued, allotted and listed in the wholesale debt market segment of BSE Limited during the previous 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.

9 The Company was given credit rating of "BWR BBB-" from M/s Brickwork Ratings India Pvt. Ltd.

10 Formulae for computation of ratios are as follows:

Debt Service Coverage Ratio =	Earnings before Interest and tax
	Interest Expense + Principal Repayments made during the period for long-term loans
Interest Service Coverage Ratio =	Earnings 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 Miscelleneous expenses

11 The Statutory auditor has provided a statutory audit report with unmodified opinion on the statement of financial results for the year ended March 31, 2019.

12 The previous period figures have been re-grouped / restated wherever necessary.

For Sanmar Engineering Services Limited

P S Jayaraman
Chairman & CEO
DIN: 00011108

Place : Chennai
Date : May 30, 2019

SANMAR ENGINEERING SERVICES LTD CHENNAI

PRASAD & SRINATH CHARTERED ACCOUNTANTS CHENNAI

M.NO: 12847
30.5.2019

UDIN: 19012847AAAAEA1457

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 2019 ("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 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 2019.

PRASAD & SRINATH CHENNAI CHARTERED ACCOUNTANTS

3. We draw attention to Note 4 to the financial statements which describes the accounting for a common control business combination in accordance with the certified order of the National Company Law Tribunal dated April 26, 2019 approving a composite scheme of arrangement involving the Company with effect from an appointed date of April 1, 2018 with restatement of comparative periods for the effect of this combination in accordance with Ind AS 103. Our opinion is not modified in respect of this matter.

4. The Statement includes the results for the half year ended 31st March 2019 being the balancing figure between audited figures in respect of the full financial year and the year to date figures up to the 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, 2019

PRASAD & SRINATH * CHARTERED ACCOUNTANTS * CHENNAI

UDIN: 19012847AAAAEA1457