



**Sanmar Engineering Services Limited**

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

November 14, 2018

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001

Dear Sirs,

**Sub: Unaudited financial results for the half year ended September 30, 2018**

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

Pursuant to Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose the unaudited financial results for the half year ended September 30, 2018 duly approved by the Board of Directors today i.e. November 14, 2018.

The Auditors Report on the unaudited financial statement for the half year ended September 30, 2018 is also enclosed herewith.

Thanking you

Yours faithfully  
For SANMAR ENGINEERING SERVICES LIMITED

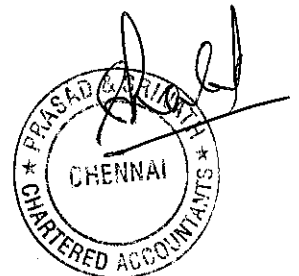
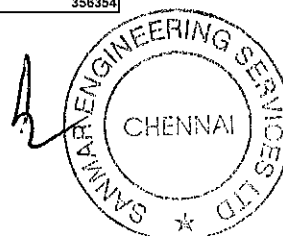
SATYA NARAYAN NAYAK  
Company Secretary  
Membership No. ACS 18677

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE HALF-YEAR ENDED SEPTEMBER 30, 2018

|             |                                                                             | (Rs. Lakhs)                                  |                                              |                                            |
|-------------|-----------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|--------------------------------------------|
| Particulars |                                                                             | Half year ended<br>30-09-2018<br>(Unaudited) | Half year ended<br>30-09-2017<br>(Unaudited) | Full year ended<br>31-03-2018<br>(Audited) |
| 1           | <b>Revenue</b>                                                              |                                              |                                              |                                            |
| (a)         | Revenue from operations                                                     | 499                                          | 924                                          | 1935                                       |
| (b)         | Other income                                                                | 19                                           | 2                                            | 10                                         |
|             | <b>Total Income</b>                                                         | <b>518</b>                                   | <b>926</b>                                   | <b>1945</b>                                |
| 2           | <b>Expenses</b>                                                             |                                              |                                              |                                            |
| (a)         | Purchase of traded goods                                                    | 206                                          | 750                                          | 1362                                       |
| (b)         | Employee benefits expense                                                   | 120                                          | 102                                          | 245                                        |
| (c)         | Other expenses                                                              | 71                                           | 66                                           | 135                                        |
| (d)         | Depreciation and amortisation expense                                       | 0                                            | 0                                            | 0                                          |
| (e)         | Finance costs                                                               | 15183                                        | 12764                                        | 26108                                      |
|             | <b>Total Expenses</b>                                                       | <b>15579</b>                                 | <b>13682</b>                                 | <b>27850</b>                               |
|             | <b>Profit / (Loss) before tax</b>                                           | <b>-15061</b>                                | <b>-12755</b>                                | <b>-25906</b>                              |
| 3           | <b>Tax expense:</b>                                                         |                                              |                                              |                                            |
| (a)         | Current Tax                                                                 | 0                                            | 0                                            | 0                                          |
| (b)         | Income Tax relating to earlier years                                        | 0                                            | 0                                            | 9                                          |
| (c)         | Deferred Tax                                                                | 0                                            | 0                                            | 0                                          |
|             | <b>Profit / (Loss) after tax</b>                                            | <b>-15061</b>                                | <b>-12755</b>                                | <b>-25915</b>                              |
| 4           | <b>Other Comprehensive Income:</b>                                          |                                              |                                              |                                            |
| (a)         | Items that will not be reclassified to Profit or Loss in subsequent periods |                                              |                                              |                                            |
|             | - Remeasurement of Defined Benefit Plans                                    | 0                                            | -1                                           | -1                                         |
|             | - Income tax expense relating to above items                                | 0                                            | 0                                            | 0                                          |
|             | <b>Total Other Comprehensive Income</b>                                     | <b>0</b>                                     | <b>-1</b>                                    | <b>-1</b>                                  |
|             | <b>Total Comprehensive Income</b>                                           | <b>-15062</b>                                | <b>-12756</b>                                | <b>-25916</b>                              |
| 5           | Paid up Equity share capital (Face value Rs. 10 per share)                  | 76                                           | 76                                           | 76                                         |
| 6           | Paid up Debt capital                                                        | 367865                                       | 345780                                       | 355905                                     |
| 7           | Reserves excluding Revaluation Reserves                                     | -104891                                      | -76670                                       | -89829                                     |
| 8           | Networth                                                                    | -104815                                      | -76594                                       | -89753                                     |
| 9           | Debtenture Redemption Reserve                                               | 0                                            | 0                                            | 0                                          |
| 10          | Earnings Per Share (Rs per share)                                           | -1989                                        | -1685                                        | -3423                                      |
| 11          | Debt Equity Ratio                                                           | -3.51                                        | -4.51                                        | -3.97                                      |
| 12          | Debt Service Coverage Ratio                                                 | 0.01                                         | 0.00                                         | 0.01                                       |
| 13          | Interest Service Coverage Ratio                                             | 0.01                                         | 0.00                                         | 0.01                                       |

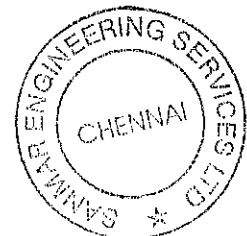
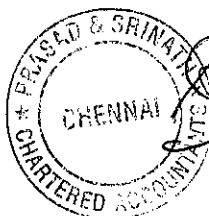
SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE HALF-YEAR ENDED SEPTEMBER 30, 2018

| Particulars |                                                          | Half year ended<br>30-09-2018<br>(Unaudited) | Half year ended<br>30-09-2017<br>(Unaudited) | Full year ended<br>31-03-2018<br>(Audited) |
|-------------|----------------------------------------------------------|----------------------------------------------|----------------------------------------------|--------------------------------------------|
| 1           | <b>Segment Revenue / Income:</b>                         |                                              |                                              |                                            |
| (a)         | Services                                                 | 499                                          | 924                                          | 1935                                       |
| (b)         | Investing                                                | 0                                            | 0                                            | 0                                          |
| (c)         | Unallocated                                              | 0                                            | 0                                            | 0                                          |
|             | <b>Total</b>                                             | <b>499</b>                                   | <b>924</b>                                   | <b>1935</b>                                |
|             | Less: Inter-segment Revenue                              | 0                                            | 0                                            | 0                                          |
|             | <b>Net Sales / Income from Operations</b>                | <b>499</b>                                   | <b>924</b>                                   | <b>1935</b>                                |
| 2           | <b>Segment Results (EBIT)</b>                            |                                              |                                              |                                            |
| (a)         | Services                                                 | 130                                          | 19                                           | 230                                        |
| (b)         | Investing                                                | (8)                                          | (10)                                         | -28                                        |
| (c)         | Unallocated                                              | 0                                            | 0                                            | 0                                          |
|             | <b>Total</b>                                             | <b>121</b>                                   | <b>9</b>                                     | <b>203</b>                                 |
|             | Less: Finance Cost                                       | 15183                                        | 12764                                        | 26108                                      |
|             | Add: Un-allocable income net off unallocable expenditure | 0                                            | 0                                            | 0                                          |
|             | <b>Total Profit / (Loss) before tax</b>                  | <b>-15061</b>                                | <b>-12755</b>                                | <b>-25906</b>                              |
| 3           | <b>Segment Assets</b>                                    |                                              |                                              |                                            |
| (a)         | Services                                                 | 1047                                         | 1275                                         | 946                                        |
| (b)         | Investing                                                | 262428                                       | 263889                                       | 265654                                     |
| (c)         | Unallocated                                              | 0                                            | 0                                            | 0                                          |
|             | <b>Total</b>                                             | <b>263475</b>                                | <b>270163</b>                                | <b>266600</b>                              |
| 4           | <b>Segment Liabilities</b>                               |                                              |                                              |                                            |
| (a)         | Services                                                 | 230                                          | 785                                          | 257                                        |
| (b)         | Investing                                                | 368060                                       | 345972                                       | 356096                                     |
| (c)         | Unallocated                                              | 0                                            | 0                                            | 0                                          |
|             | <b>Total</b>                                             | <b>368290</b>                                | <b>346756</b>                                | <b>356354</b>                              |



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  
**STATEMENT OF UNAUDITED ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2018**

| Sl. No.  | Particulars                         | (Rs. Lakhs)                                   |                                         |
|----------|-------------------------------------|-----------------------------------------------|-----------------------------------------|
|          |                                     | As at<br>September 30,<br>2018<br>(Unaudited) | As at<br>March 31,<br>2018<br>(Audited) |
| <b>A</b> | <b>ASSETS</b>                       |                                               |                                         |
| <b>1</b> | <b>Non-current assets</b>           |                                               |                                         |
|          | Property, plant and equipment       | 0                                             | 0                                       |
|          | Financial Assets                    |                                               |                                         |
|          | (i) Investments                     | 262,511                                       | 265,661                                 |
|          | (ii) Other Financial Assets         | 1                                             | 2                                       |
|          | Non-current tax assets (net)        | 149                                           | 222                                     |
|          |                                     | <b>262,660</b>                                | <b>265,885</b>                          |
| <b>2</b> | <b>Current assets</b>               |                                               |                                         |
|          | Inventories                         |                                               |                                         |
|          | Financial Assets                    |                                               |                                         |
|          | (i) Investments                     | 455                                           | 74                                      |
|          | (ii) Trade Receivables              | 268                                           | 387                                     |
|          | (iii) Cash and cash equivalents     | 16                                            | 89                                      |
|          | (vi) Others Financial Assets        | 61                                            | 60                                      |
|          | Other current assets                | 15                                            | 105                                     |
|          |                                     | <b>815</b>                                    | <b>716</b>                              |
|          | <b>Total assets</b>                 | <b>263,475</b>                                | <b>266,600</b>                          |
| <b>B</b> | <b>EQUITY AND LIABILITIES</b>       |                                               |                                         |
| <b>1</b> | <b>Equity</b>                       |                                               |                                         |
|          | Equity Share capital                | 76                                            | 76                                      |
|          | Other Equity                        | (104,891)                                     | (89,829)                                |
|          | Total equity                        | (104,815)                                     | (89,753)                                |
| <b>2</b> | <b>Liabilities</b>                  |                                               |                                         |
|          | <b>Non-current liabilities</b>      |                                               |                                         |
|          | Financial Liabilities               |                                               |                                         |
|          | (i) Borrowings                      | 367,865                                       | 355,905                                 |
|          | (ii) Other Financial Liabilities    | 4                                             | 3                                       |
|          | Other non-current liability         | 137                                           | 137                                     |
|          |                                     | <b>368,007</b>                                | <b>356,045</b>                          |
| <b>3</b> | <b>Current liabilities</b>          |                                               |                                         |
|          | Financial Liabilities               |                                               |                                         |
|          | (i) Trade Payables                  | 81                                            | 108                                     |
|          | (ii) Other financial liabilities    | 73                                            | 79                                      |
|          | Other current liabilities           | 105                                           | 98                                      |
|          | Current Tax Liability               | 24                                            | 24                                      |
|          |                                     | <b>283</b>                                    | <b>308</b>                              |
|          | <b>Total liabilities</b>            | <b>368,290</b>                                | <b>356,354</b>                          |
|          | <b>Total equity and liabilities</b> | <b>263,475</b>                                | <b>266,600</b>                          |



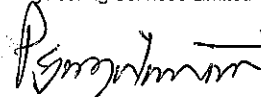
Notes

1. The above financial results for the half year ended September 30, 2018 were reviewed and approved by the Board of Directors on November 14, 2018.
2. The financials have been prepared in compliance with the Accounting Standards referred to in the Companies (Indian Accounting Standards) Rules, 2015 read with Rule 7 of Companies (Accounts) Rules, 2014 in respect of 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 Company has not created debenture redemption reserve as the Company has not made net profit for the period ended September 30, 2018.
5. Paid-up debt capital as on September 30, 2018, represents redeemable non convertible debentures issued and term loan taken from financial institution.
6. There is no investors' grievances pending or received during the period under review.
7. 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.
8. The Company was given credit rating of "BWR BBB-" from M/s Brickwork Ratings India Pvt. Ltd.
9. 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                                                              |

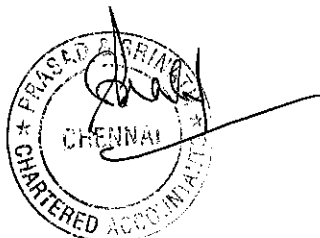
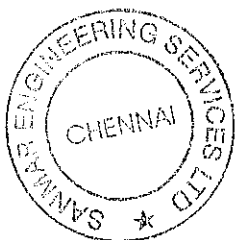
10. The Statutory auditor has provided a limited review report with unmodified opinion on the statement of financial results for the half year ended September 30, 2018.
11. The previous period figures have been re-grouped / restated wherever necessary.

For Sanmar Engineering Services Limited



P S Jayaraman  
Chairman & CEO  
DIN: 00011108

Place: Chennai  
Date: November 14, 2018



**Independent Auditors' Review 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 reviewed the accompanying Statement of Financial Results of Sanmar Engineering Services Limited ("the Company") for the half year ended 30<sup>th</sup> September 2018 ("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 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 issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standards on Review Engagements (SRE) 2410 'Review of Interim Financial Information performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the review to obtain moderate assurance about whether the Statement is free from material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement in respect of income recognition, asset classification, provisioning and other related matters.

For PRASAD &amp; SRINATH

Chartered Accountants

Firm Registration No.005826S



S PRASAD

Partner

Membership No.12847

Place: Chennai

Date: November 14, 2018

