SANMAR

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

Sanmar Engineering Services Limited
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CIN: U65993TN1995PLC030445 Website: www.sesl.co.in
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UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE HALF-YEAR ENDED SEPTEMBER 30, 2018

(Rs. Lakhs)

		Particulars	Half year ended 30-09-2018 (Unaudited)	Half year ended 30-09-2017 (Unaudited)	Full year ended 31-03-2018 (Audited)
1		Revenue			
	(a)	Revenue from operations	499	924	1935
	(b)	Other income	19	2	10
		Total Income	518	926	1945
2		Expenses			
	(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
		Total Expenses	15579	13682	27850
		Profit / (Loss) before tax	-15061	-12755	-25906
3		Tax expense:			
	(a)	Current Tax	0	0	0
	(b)	Income Tax relating to earlier years	0	0	9
	(c)	Deferred Tax	0	0	0
		Profit / (Loss) after tax	-15061	-12755	-25915
4		Other Comprehensive Income:			
	(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
		Total Other Comprehensive Income	0	-1	-1
		Total Comprehensive Income	-15062	-12756	-25916
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		Debenture 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 30-09-2018 (Unaudited)	Half year ended 30-09-2017 (Unaudited)	Full year ended 31-03-2018 (Audited)
1		Segment Revenue / Income:			
	(a)	Services	499	924	1935
	(b)	Investing	0	0	0
	(c)	Unallocated	0	0	0
		Total	499	924	1935
		Less: Inter-segment Revenue	0	0	0
		Net Sales / Income from Operations	499	924	1935
2		Segment Results (EBIT)			
	(a)	Services	130	19	230
	(b)	Investing	(8)	(10)	-28
	(c)	Unallocated	0	0	0
		Total	121	9	203
		Less: Finance Cost	15183	12764	26108
		Add: Un-allocable income net off unallocable expediture	0	0	0
		Total Profit / (Loss) before tax	-15061	-12755	-25906
3		Segment Assets			
	(a)	Services	1047	1275	946
	(b)	Investing	262428	268888	265654
	(c)	Unallocated	0	0	0
		Total	263475	270163	266600
4		Segment Liabilities			
	(a)	Services	230	785	257
	(b)	Investing	368060	345972	356096
	(c)	Unallocated	0	0	0
		Total	368290	346756	356354

SANMAR ENGINEERING SERVICES LTD CHENNAI

PRASAD & SRINATH CHENNAI CHARTERED ACCOUNTANTS

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

(Rs. Lakhs)

Sl. No.	Particulars	As at September 30, 2018 (Unaudited)	As at March 31, 2018 (Audited)
A	**ASSETS**		
1	**Non-current assets**		
	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
		262,660	265,885
2	**Current assets**		
	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
		815	716
	Total assets	**263,475**	**266,600**
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	Equity Share capital	76	76
	Other Equity	(104,891)	(89,829)
	Total equity	(104,815)	(89,753)
	Liabilities		
2	**Non-current liabilities**		
	Financial Liabilities		
	(i) Borrowings	367,865	355,905
	(ii) Other Financial Liabilities	4	3
	Other non-current liability	137	137
		368,007	356,045
3	**Current liabilities**		
	Financial Liabilities		
	(i) Trade Payables	81	108
	(ii) Other financial liabilities	73	79
	Other current liabilities	105	98
	Current Tax Liability	24	24
		283	308
	Total liabilities	368,290	356,354
	Total equity and liabilities	**263,475**	**266,600**

PRASAD & SRINATH CHARTERED ACCOUNTANTS CHENNAI

SANMAR ENGINEERING SERVICES LTD CHENNAI

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 =	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

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

SANMAR ENGINEERING SERVICES LTD ★ CHENNAI

PRASAD & SRINATH ★ CHARTERED ACCOUNTANTS CHENNAI

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' 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 30th 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 & SRINATH
Chartered Accountants
Firm Registration No.005826S

S PRASAD
Partner
Membership No.12847

Place: Chennai
Date: November 14, 2018

PRASAD & SRINATH
CHENNAI
CHARTERED ACCOUNTANTS