

MAHARAJ N R SURESH AND CO.,
Chartered Accountants

**Independent Auditors' Report to the Members of
ESVI INTERNATIONAL (ENGINEERS & EXPORTERS) LTD**

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of ESVI INTERNATIONAL (ENGINEERS & EXPORTERS) LTD ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's

preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the Paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2015 from being appointed as a Director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has no pending litigations.
- ii. the Company did not have any long-term contracts including derivative contracts; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Maharaj N R Suresh And Co.,

Firm Regn. No. 001931S

N R Suresh

Membership No. 021661

Partner

Chartered Accountants

Chennai

May 29, 2015

Annexure to the Independent Auditors' Report

The Annexure referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements, of our Report of even date:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
- (ii) The Company has no inventories.
- (iii) The Company has not granted any loans, secured / unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services and no major weakness has been noticed in the internal control system.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed maintenance of Cost Records under Section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Value Added Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities wherever applicable and there were no undisputed amounts payable which were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable.
 - (b) The Company has no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Value Added Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March 2015.
 - (c) The amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules thereunder, has been transferred to such fund within time.

- (viii) The accumulated losses of the Company as at 31st March 2015 are not more than 50% of its net worth and has not incurred cash losses during the financial year ended on that date. However, the Company had incurred cash losses in the immediately preceding financial year.
- (ix) There are no dues payable to the banks / financial institutions or debenture holders during the year.
- (x) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company has not availed any term loan from banks.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Maharaj N R Suresh And Co.,

Firm Regn. No. 001931S

N R Suresh

Membership No. 021661

Partner

Chartered Accountants

Chennai

May 29, 2015

Esvi International (Engineers and Exporters) Limited
BALANCE SHEET AS AT 31ST MARCH 2015

Particulars	Note No.	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	2,500,000	2,500,000
(b) Reserves and surplus	3	<u>(933,338)</u>	<u>1,135,810</u>
2 Non-current liabilities			
(a) Long-term Borrowings	4	-	6,000,000
3 Current liabilities			
(a) Trade payables	5	1,231,095	2,858,123
(b) Other current liabilities	6	12,046,068	5,326,069
TOTAL		<u><u>14,843,825</u></u>	<u><u>15,320,002</u></u>
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	12,961,804	13,522,735
(b) Non-current investments	8	727,295	727,295
(c) Long-term loans and advances	9	<u>637,458</u>	<u>14,822,246</u>
2 Current assets			
(a) Trade receivables	10	190,502	38,385
(b) Cash and cash equivalents	11	319,566	455,771
(c) Other current assets	12	<u>7,200</u>	<u>497,756</u>
TOTAL		<u><u>14,843,825</u></u>	<u><u>15,320,002</u></u>

See notes to Financial Statements 1 to 18

Vide our Report of even date
For Maharaj N R Suresh and Co
FRN No. 001931S
Chartered Accountants

N R Suresh
Partner
Membership No. 21661

Directors

Chennai
29 May 2015

Esvi International (Engineers and Exporters) Limited
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	Note No.	As at 31st March 2015 Rs.	As at 31st Rs.
I Revenue from Operations			
- Sale of services-Rent		3,195,000	3,195,000
II Other Income	14	46,816	47,471
III Total Revenue		<u>3,241,816</u>	<u>3,242,471</u>
IV Expenses:			
Administrative Expenses	15	1,085,134	2,578,395
Total		<u>1,085,134</u>	<u>2,578,395</u>
V Profit before Finance cost and Depreciation		2,156,682	664,076
Finance cost		719,999	719,999
Depreciation		<u>560,931</u>	<u>991,090</u>
VI Profit/(Loss) Before Tax		875,752	(1,047,013)
VII Tax Expense:			
Current Tax		444,900	447,000
IT relating to earlier years			-977
VIII Profit/(Loss) After Tax		<u>430,852</u>	<u>(1,493,036)</u>
IX Earnings Per Equity Share			
Basic and Diluted Earnings Per Share (Rs): (Nominal Value Rs. 100 per share)		17.23	-59.72
See notes to Financial Statements	1 to 18		

Vide our Report of even date
For Maharaj N R Suresh and Co
FRN No. 001931S
Chartered Accountants

N R Suresh
Partner
Membership No. 21661

Directors

Chennai
29 May 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

	Year Ended <u>3/31/2015</u>	Year Ended <u>3/31/2014</u>	Rs.
Profit/(Loss) before tax and exceptional items	875,752	(1,047,013)	
Adjustment for:			
Depreciation	560,931	991,090	
Interest Paid	719,999	719,999	
Dividend	(5,595)	(9,917)	
	<hr/> 1,275,335	<hr/> 1,701,172	
Operating Profit before working capital changes	<hr/> 2,151,087	<hr/> 654,159	
Adjustments for:			
Trade and Other Receivables	(201,867)	101,898	
Trade and other Payables	(907,029)	<u>259,492</u>	361,390
Cash generated from operations	<hr/> 1,042,191	<hr/> 1,015,549	
Direct Tax paid net of refund	(463,992)	(311,692)	
Net cash from operating activities (A)	<hr/> 578,199	<hr/> 703,857	
 <u>B.Cash flow Investing Activities</u>			
Purchase of Fixed Assets	0	0	
Sale of Investments	0	0	
Dividend Received	5,595	9,917	
Net cash used in investing activities (B)	<hr/> 5,595	<hr/> 9,917	

	Year Ended <u>3/31/2015</u>	Rs. Year Ended <u>3/31/2014</u>
<u>C. Cash from Financing Activities:</u>		
Interest Paid	(719,999)	(719,999)
Net cash used in financing activities (C)	<u>(719,999)</u>	<u>(719,999)</u>
Net increase in cash and cash equivalents (A+B+C)	(136,205)	(6,226)
Cash and cash equivalents at the beginning	455,771	461,997
Cash and cash equivalents at the end	319,566	455,771

Note:

1. Figures in brackets represents outflows
2. Previous year figures have been regrouped wherever necessary.

Per our Report of even date annexed

For Maharaj N R Suresh and Co

FRN No. 001931S

Chartered Accountants

N R Suresh

Partner

Membership No. 21661

Directors

Chennai

29 May 2015

NOTES ON ACCOUNTS

(1) Significant Accounting Policies

a) General

The financial Statements have been prepared on the historical cost convention and in accordance with generally accepted principles.

b) Fixed Asstes

Fixed Assets are stated at cost less depreciation.

c) Investments

Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the Management.

d) Revenue and Expenditure Recognition

Revenue is recognized and expenditure is accounted for on their accrual.

e) Depreciation / Amortization

Depreciation on Fixed Assets is provided under Straight line method in accordance with Schedule II to the Companies Act, 2013 adopting the useful life for assets as specified therein and reckoning the residual value at 5% of the original cost of the asset.

f) Taxes on Income

Curent Tax in the amount of tax payable on the Taxable Income for the Year as determined in accordance with the provisions of the Income Tax Act, 1961

(2) Share Capital:

	Par Value	31.03.2015	31.03.2014
	RS.	Rs.	Rs.
(a) Authorised: 50,000 Equity Shares	100	5,000,000	5,000,000
(b) Issued, Subscribed and Fully Paid-up: 25,000 Equity Shaes	100	2,500,000	2,500,000

	31.03.2015	31.03.2014
(c) Details of shares held by Holding Company/Ultimate Holding Company and their subsidiaries and associates	No of shares	No of shares
Seshasayee Paper and Boards Limited and its nominees	25000	25000

(d) List of shareholders holding more than 5%:

Name of Shareholders	31.03.2015		31.03.2014	
	Number of shares	Percentage holding	Number of shares	Percentage holding
Seshasayee Paper and Boards Ltd and its nominees	25000	100.00	25000	100.00

(3) Reserves and Surplus:

	31.03.2015		31.03.2014	
General Reserve		400,000		400,000
Surplus in Profit and Loss Statement				
Opening Balance	-1,764,190		-271,154	
Less: Profit/(-)Loss for the year	430,852		-1,493,036	
		-1,333,338		-1,764,190
Closing Balance				
Total		-933,338		-1,364,190

(4) Long Term Borrowings :

	31.03.2015	31.03.2014
Term Loan -unsecured		
Others (Repayable within a period of 3 years from April 2012)	-	6,000,000
Total	-	6,000,000

(5) Trade Payables

	31.03.2015	31.03.2014
Services	1,231,095	2,858,123
Total	1,231,095	2,858,123

There are no dues to Micro and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006

(6) Other Current Liabilities:

	31.03.2015	31.03.2014
Current Maturities of Long Term Debt	6,000,000	-
Deposits	2,130,000	2,130,000
Interest accrued and due on borrowings	3,916,068	3,196,069
Total	12,046,068	5,326,069

(7) Tangible Assets:

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	As at 01/04/2014	Additions	Deductions	As at 31/03/2015	Upto 31/03/2014	For the Year	Upto 31/03/2015	As at 31/03/2015	As at 31/03/2014
Land	524,013	-	-	524,013	-	-	-	524,013	524,013
Buildings	18,234,512	-	-	18,234,512	7,627,632	181,208	7,808,840	10,425,672	10,606,880
Plant & Equipment	5,691,668	-	-	5,691,668	4,077,658	155,269	4,232,927	1,458,741	1,614,010
Furniture & Fixtures	3,988,291	-	-	3,988,291	3,210,459	224,454	3,434,913	553,378	777,832
TOTAL	28,438,484	-	-	28,438,484	14,915,749	560,931	15,476,680	12,961,804	13,522,735
Previous Year	28,438,484			28438484	13,924,659	991,090	14915749	13522735	14,513,824

(8) Non-current Investments - Long Term:

Investments in Equity shares of Rs. 10/- each fully paid	31.03.2015		31.03.2014	
	No. of shares	Rs.	No. of shares	Rs.
Quoted Trade Investments Ponni Sugars (Erode) Ltd	4802	131,546	4808	131,546
Quoted Non Trade Investments Seshasayee Paper and Boards Limited	116	1,699	116	1,699
		133,245		133,245
UnQuoted Trade Investments SPB Projects and Consultancy Ltd	2250	22,500	2250	22,500
UnQuoted Non Trade Investments Time Square Investments Private Ltd Esvin Advanced Technologies Limited	55000 1950	552,050	55000 1950	552,050
		19,500		19,500
		594,050		594,050
Total		727,295		727,295
Market value of Quoted Investments		644,337		492,332

(9) Long-Term Loans and Advances:

	31.03.2015	31.03.2014
Unsecured - considered good		
Tax Pending Adjustments	149,839	130,747
Security Deposits	487,619	441,469
Others		
Total	637,458	572,216

(10) Trade Receivables:

	31.03.2015	31.03.2014
Unsecured - considered good		
Over six months		
Others	190,502	38,385
Total	190,502	38,385

(11) Cash and Cash Equivalents:

	31.03.2015		31.03.2014	
-Balances with banks	315028		454753	
-Cash on hand	4538	319,566	1018	455,771
Total		319,566		455,771

(12) Other Current Assets

	31.03.2015	31.03.2014
-TNEB Interest Receivable	7,200	3,600
Total	7,200	3,600

(13) Contingent Liabilities and Commitments not provided for

	31.03.2015	31.03.2014
(i) Contingent Liabilities	Nil	Nil
(ii) Commitments	Nil	Nil

(14) Other Income:

	31.03.2015	31.03.2014
Interest	41,221	37,554
Dividend		
-Long term Investments	5,595	9,917
Total	46,816	47,471

(15) Administrative Expenses:

	31.03.2015	31.03.2014
Rates and Taxes	189,894	217,035
Auditors Remuneration	47,191	35,955
Insurance	13,955	14,307
Repairs and Maintenance Building	558,260	961,857
Repairs and Maintenance Electrical	207,729	1,284,948
Miscellaneous Expenses	68,105	64,293
Total	1,085,134	2,578,395

*** Additional Information:**

	31.03.2015	31.03.2014
Audit	28,091	22,472
Taxation Matters	16,853	11,236
Others	2,247	2,247
Total	47,191	35,955

(16) Related party Disclosures:

- a) List of Parties where control exists Seshasayee Paper and Boards Limited
b) Transactions between Related Parties
i) Names of the transacting Related Parties Seshasayee Paper and Boards Limited
ii) Description of Relationship Presumption of significant influence
iii) Description of Transaction

S.No	Name of the Party	Description of Transaction and amount during the year		Amount Outstanding as on 31.03.2015	Amount Outstanding as on 31.03.2014
		Transaction	Amount (in Rs.)		
1	Seshasayee Papers and Boards Limited	Investment in equity share capital	2,500,000	Seshasayee Paper and Boards Ltd (SPB Ltd) invested in the Company's Equity share capital for Rs. 25 lakhs (25000 equity shars @ Rs. 100 per share)	Seshasayee Paper and Boards Ltd (SPB Ltd) invested in the Company's Equity share capital for Rs. 25 lakhs (25000 equity shars @ Rs. 100 per share)
		Dividend received	464	The company invested in 116 equity shares of SPB Ltd at Rs. 14.65 per share	The company invested in 116 equity shares of SPB Ltd at Rs. 14.65 per share

- (17) The Company has changed the method of providing depreciation from 1st April 2014 as required by the Companies Act, 2013. Accordingly depreciation has been provided in accordance with Schedule II thereof for the current year as against the rates specified in Schedule XIV to the Companies Act, 1956 adopted in the previous year. As a result, depreciation for the current year is lower by Rs. 3,34,709

- (18) Previous year figures have been regrouped, wherever necessary.

Vide our Report of even date
For Maharaj N R Suresh and Co
FRN No. 001931S
Chartered Accountants

N R Suresh
Partner
Membership No. 21661

Directors

Chennai
29-May-15