

MAHARAJ N R SURESH AND CO.,
Chartered Accountants

**Independent Auditors' Report to the Members of
Esvi International (Engineers & Exporters) Limited**

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Esvi International (Engineers & Exporters) LIMITED ('the Company'), which comprise the Balance Sheet as at 31 March 2016, 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. 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 2016 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 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 2016 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2016 from being appointed as a Director in terms of Section 164(2) of the Act; and
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) 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, that requires a provision for material foreseeable losses in these financial statements ; and
- (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 2 As required by the Companies (Auditor's Report) Order, 2016 ("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 "B" a statement on the matters specified in the Paragraphs 3 and 4 of the Order, to the extent applicable.

**Maharaj N R Suresh and
Co.,**

Firm Regn. No. 0019318

N.R. Suresh

N.R Suresh

Membership No. 021661

Partner

Chartered Accountants



Chennai

May 27, 2016

ANNEXURE "A" to The Independent Auditor's Report of even date on the Standalone Financial Statements of Esvi International (Engineers & Exporters)Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Esvi International (Engineers & Exporters) Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Maharaj N R Suresh and Co.

Firm Regn. No. 001931S


N R Suresh

Membership No. 021661

Partner

Chartered Accountants



Chennai

May 27, 2016

Annexure "B" to the Independent Auditors' Report of even date on the Standalone Financial Statements of Esvi International (Engineers & Exporters) Limited.

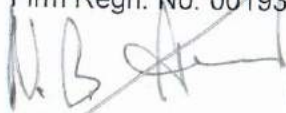
The Annexure referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The company has no inventories.
- (iii) The Company has not granted any loans to any party covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, in respect of, investments, made by the Company. The company has not provided any loans or guarantee or security to any company covered under Section 185.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed maintenance of Cost Records under Sub-section (1) of Section 148 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, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other Statutory Dues to the appropriate authorities as are applicable and there were no undisputed amounts payable which were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.
 - (b) There are no dues of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax have not been deposited as on 31st March 2016 on account of disputes are given below :
- (viii) The Company has not availed loans or borrowing from a financial institution, bank, Government or has dues to debenture holders.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.



- (x) The Company has not noticed any fraud by the Company or any fraud on the Company by its Officers or employees or reported during the year.
- (xi) The company has not paid or provided managerial remuneration during the year
- (xii) The Company is not a Nidhi Company and hence complying with the provisions of the Nidhi Rules, 2014 does not arise.
- (xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements, etc., as required by the applicable Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The Company has not entered into any non-cash transactions with Directors or persons connected with him.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Maharaj N R Suresh and Co.,
Firm Regn. No. 001931S


N.R.Suresh
Membership No. 021661
Partner
Chartered Accountants



Chennai

May 27, 2016

Esvi International (Engineers And Exporters) Limited

BALANCE SHEET AS AT 31ST MARCH 2016

	Note No.	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	2500000	2500000
(b) Reserves and Surplus	3	-693464	-933338
		1806536	1566662
2. Non-Current Liabilities			
		0	0
3. Current Liabilities			
Trade payables	4	187374	1231095
Other Current Liabilities	5	12766068	12046068
		-----	-----
TOTAL		14759978	14843825
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	6	12400873	12961804
(b) Non-current Investments	7	727295	727295
(c) Long-term Loans and Advances	8	739214	637458
		-----	-----
		13867382	14326557
2. Current Assets			
(a) Trade Receivables	9	746167	190502
(b) Cash and Cash Equivalents	10	143229	319566
(c) Other Current assets	11	3200	7200
		-----	-----
		892596	517268
		-----	-----
TOTAL		14759978	14843825

See notes to Financial Statements

1 to 17

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



For and on behalf of the Board

N Gopalaratnam

Chairman

Chennai

27-May-2016

Esvi International (Engineers And Exporters) Limited
PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2016

Particulars	Note No.	Period Ended	Period Ended
		31.03.2016	31.03.2015
		Rs.	Rs.
I Revenue from Operations			
- Sale of sevicess-Rent		3727500	3195000
II Other Income	13	45999	46816
III Total Revenue		<u>3773499</u>	<u>3241816</u>
IV Expenses:			
Administrative Expenses	14	1780694	1085134
Total		<u>1780694</u>	<u>1085134</u>
V Profit before Finance cost and Depreciation		1992805	2156682
Finance Costs		720000	719999
Depreciation		560931	560931
VI Profit/(Loss) Before Tax		711874	875752
VII Tax Expense:			
Current Tax		472000	444900
IT relating to earlier years			
VIII Profit/(Loss) After Tax		<u>239874</u>	<u>430852</u>
IX Earnings Per Equity Share			
Basic and Diluted Earnings Per Share (Rs):		9.59	17.23
(Nominal value Rs. 100 per share)			
See notes to financial statements	1 to 17		

Vide our Report of even date

For Maharaj N R Suresh and Co

FRN No. 001931S

Chartered Accountants

N R Suresh
N R Suresh

Partner

Membership No.21661

Chennai

27-May-2016



For and on behalf of the Board

N Gopalaratnam

N Gopalaratnam

Chairman

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Rs.

	Year Ended 31-03-16	Year Ended 31-03-15
Profit/(Loss) before tax and exceptional items	711,874	875,752
Adjustment for:		
Depreciation	560,931	560,931
Interest Paid	720,000	719,999
Dividend	(2,714)	(5,595)
	<hr/> 1,278,217	<hr/> 1,275,335
Operating Profit before working capital changes	<hr/> 1,990,091	<hr/> 2,151,087
Adjustments for:		
Trade and Other Receivables	(644,342)	(201,867)
Trade and other Payables	(323,721)	(907,029)
	<hr/> (968,063)	<hr/> - 1,108,896
Cash generated from operations	<hr/> 1,022,028	<hr/> 1,042,191
Direct Tax paid net of refund	(481,079)	(463,992)
Net cash from operating activities (A)	<hr/> 540,949	<hr/> 578,199
 <u>B. Cash flow Investing Activities</u>		
Purchase of Fixed Assets	0	0
Sale of Investments	0	0
Dividend Received	2,714	5,595
Net cash used in investing activities (B)	<hr/> 2,714	<hr/> 5,595
 <u>C. Cash from Financing Activities:</u>		
Interest Paid	(720,000)	(719,999)
Net cash used in financing activities (C)	<hr/> (720,000)	<hr/> (719,999)
Net increase in cash and cash equivalents (A+B+C)	(176,337)	(136,205)
Cash and cash equivalents at the beginning	319,566	455,771
Cash and cash equivalents at the end	143,229	319,566

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



For and on behalf of the Board

(Handwritten Signature)

N Gopalaratnam
Chairman

Chennai
27-May-2016

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 reckonina 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	31.03.2016	31.03.2015
	Rs.	Rs.	Rs.
(a) Authorised: 50,000 Equity Shares	100	5000000	5000000
(b) Issued, Subscribed and Fully Paid-up: 25,000 Equity Shares	100	2500000	2500000

(c) Details of shares held by Holding Company/Ultimate Holding Company and their subsidiaries and associates

Seshasayee Paper and Boards Limited with its nominees hold 100% of the Share Capital of the Company

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

Name of Shareholder	31.03.2016		31.03.2015	
	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:

	31.03.2016		31.03.2015	
General Reserve		400000		400000
Surplus in Profit and Loss Statement				
Opening Balance	-1333338		-1764190	
Add: Profit for the year	239874		430852	
Closing Balance		-1093464		-1333338
Total		-693464		-933338

(4) Trade Payables

	31.03.2016	31.03.2015
Services		
Total	187374	1231095
	187374	1231095

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

(5) Other Current Liabilities:

	31.03.2016	31.03.2015
Current maturities of Long Term debt	6000000	6000000
Deposits	2130000	2130000
Interest accrued and due on borrowings	4636068	3916068
Total	12766068	12046068

(6) Tangible Assets:

Rs.

Description	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	Upto 31.03.2015	For the year	Withdrawn	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Land	524013			524013				--	524013	524013
Buildings	18234512			18234512	7808840	181208		7990048	10244464	10425672
Plant & Equipment	5691668			5691668	4232927	155269		4388196	1303472	1458741
Furniture & Fixtures	3988291			3988291	3434913	224454		3659367	328924	553378
	28438484			28438484	15476680	560931		16037611	12400873	12961804
Previous Year	28438484			28438484	14915749	560931		15476680	12961804	

(7) Non-current Investments - Long Term:

	31.03.2016		31.03.2015	
	No. of Shares	Rs.	No. of Shares	Rs.
Investment in Equity shares of Rs. 10/- each fully paid				
Quoted Trade Investments				
Ponni Sugars (Erode) Ltd	4802	131546	4802	131546
Quoted Non-Trade Investments				
Seshasayee Paper and Boards Limited	116	1699	116	1699
		133245		133245
UnQuoted Trade Investments				
SPB Projects and Consultancy Ltd	2250	22500	2250	22500
UnQuoted Non Trade Investments				
Time Square Investments Private Ltd	55000	552050	55000	552050
Esvin Advanced Technologies Limited	1950	19500	1950	19500
		594050		594050
Total		727295		727295
Market value of Quoted Investments		1044952		644337

(8) Long-Term Loans and Advances:

	31.03.2016	31.03.2015
Unsecured - considered good		
Tax Pending Adjustments	158918	149839
Security Deposits	580296	487619
Others		
Total	739214	637458

(9) Trade Receivables:

	Rs.	
	31.03.2016	31.03.2015
Unsecured - Considered Good		
Over six months	476167	
Others	270000	190502
Total	746167	190502

(10) Cash and Cah Equivalents

	31.03.2016		31.03.2015	
- Balances with banks	139012		315028	
- Cash on hand	4217	143229	4538	319566
		143229		319566

(11) Other Current Assets

	31.03.2016	31.03.2015
	- TNEB Interest Receivable	3200
	3200	7200

(12) Contingent Liabilities and Commitments not provided for

	31.03.2016	31.03.2015
(i) Contingent Liabilities	Nil	Nil
(ii) Commitments	Nil	Nil

(13) Other Income:

	Rs.	
	31.03.2016	31.03.2015
Interest	43285	41221
Dividend		
- Long term investments	2714	5595
Total	45999	46816

(14) Administrative Expenses:

	31.03.2016	31.03.2015
Rates and taxes	621401	189894
Auditors remuneration *	48047	47191
Insurance	12643	13955
Repairs and Maintenance Building	901490	558260
Repairs and Maintenance Electrical	141847	207729
Miscellaneous Expenses	55266	68105
Total	1780694	1085134

*** Additional information:**

	31.03.2016	31.03.2015
Audit	28681	28091
Taxation Matters	17119	16853
Others	2247	2247
Total	48047	47191

(15) 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 Par Seshasayee Paper and Boards Limited
ii) Description of Relationship Control
iii) Description of Transaction

S.No	Name of the Party	Description of Transaction		Amount Outstanding as on 31.03.2016	Amount Outstanding as on 31.03.2015
		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

(16) Rates and taxes include Rs.215591/- Property tax relating to earlier years, demand raised during the year and paid.

(17) 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

N-R Suresh

Partner

Membership No. 21661



For and on behalf of the Board

N Gopalaratnam

N Gopalaratnam

Chairman

Chennai

27-05-2016