



H -1/208, Garg Tower, Netaji Subhash Place, Pitampura, New Delhi -110034

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SARVESHWAR OVERSEAS LIMITED**

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SARVESHWAR OVERSEAS LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss and the cash flow statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation 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 Companies Act, 2013 ('the Act') read with relevant rules issued thereunder.

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.

3. Auditor's 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 and the order under section 143 (11) of the Act.

We conducted our audit of financial statements 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 standalone 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.

4. 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 March 31, 2018, its profit and its cash flows for the year ended on that date.

5. 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 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, as applicable.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors, except for Mr. Bansilal Sharma (Independent Director) in respect of whom representation has not been received and therefore status of his disqualification cannot be ascertained, is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (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". Our report expresses an unmodified opinion on adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
- (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 did not have any pending litigations.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There are no amounts that are 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 Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order.

For KRA & Co.
Chartered Accountants
(Firm Registration No.020266N)



Rajat Goyal
Partner
Membership No.: 503150

Place: New Delhi

Date: 26.05.18

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SARVESHWAR OVERSEAS LIMITED

(Referred to in Paragraph 1 point (f) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **SARVESHWAR OVERSEAS LIMITED** (“the Company”) as at March 31, 2018, 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. 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”) issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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, to the best of our information and according to the explanation given to us, 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, 2018, 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.

For KRA & Co.
Chartered Accountants
(Firm Registration No.020266N)



Rajat Goyal
Partner
Membership No.: 503150

Place: New Delhi
Date: 26.05.18


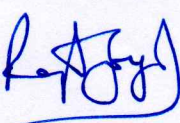
ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS of SARVESHWAR OVERSEAS LIMITED

(Referred to in Paragraph 2 under the heading of "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) In accordance with the phased programme for verification of fixed assets, certain items of fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - (c) Title deeds of immovable properties are held in the name of the company.
- (ii) Stocks of inventories have been physically verified during the year by the management. The Company has a perpetual inventory system. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book stock were not material in relation to the operations of the Company and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, clause (iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Consequently, clause (v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Company is not required to maintain cost records under section 148(1) of the Companies Act, 2013. Consequently, clause (vi) of the Order is not applicable to the Company.
- (vii) According to the information and explanations given to us and on the basis of our examination of the books of account, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, GST, cess and any other dues, during the year, with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, GST, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales-tax, Excise Duty and Service Tax which have not been deposited as on March 31, 2018, on account of disputes with the related authorities.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions or banks. The Company does not have any outstanding debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer / further public offer or term loans. Consequently, clause (ix) of the Order is not applicable to the Company
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid Managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, and corresponding details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, requirement under clause (xiv) is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, requirement under clause (xv) is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For KRA & Co.
Chartered Accountants
(Firm Registration No.020266N)

 
Rajat Goyal
Partner
Membership No.: 503150

Place: New Delhi
Date: 26.05.18

SARVESHWAR OVERSEAS LIMITED

Balance Sheet as at March 31, 2018

| | Particulars | Note No. | As at 31st March, 2018 | As at 31st March, 2017 |
|----------|-----------------------------------|----------|---------------------------|---------------------------|
| | | | Rs in lakhs | Rs in lakhs |
| A | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' Funds | | | |
| | (a) Share Capital | | | |
| | -Equity Share Capital | 3 | 1,500.00 | 1,500.00 |
| | -Preference Share Capital | | 2,200.00 | 2,200.00 |
| | (b) Reserves and Surplus | 4 | 373.62 | 200.62 |
| 2 | Non-Current Liabilities | | | |
| | (a) Long Term Borrowing | 5 | 88.29 | 345.44 |
| | (b) Other Non Current Liabilities | 6 | - | 103.46 |
| 3 | Current Liabilities | | | |
| | (a) Short Term Borrowings | 7 | 11,793.14 | 10,126.06 |
| | (b) Trade Payables | | | |
| | Micro & Small Enterprises | | 758.57 | 41.03 |
| | Others | 8 | 2,979.62 | 3,195.49 |
| | (c) Other Current Liabilities | 9 | 488.94 | 696.89 |
| | (d) Short Term Provision | 10 | 17.90 | 25.66 |
| | TOTAL | | 20,200.08 | 18,434.64 |
| B | ASSETS | | | |
| 1 | Non-Current Assets | | | |
| | (a) Fixed Assets | | | |
| | (i) Tangible Assets | 11 | 1,881.21 | 1,997.72 |
| | (b) Other Non Current Assets | 12 | - | 447.40 |
| | Deferred Tax Assets | | 22.18 | 12.93 |
| 2 | Current Assets | | | |
| | (a) Inventories | 13 | 14,687.96 | 13,179.68 |
| | (b) Trade Receivable | 14 | 3,515.77 | 2,707.09 |
| | (c) Cash and Cash Equivalent | 15 | 22.15 | 6.00 |
| | (d) Other Current Assets | 16 | 70.81 | 83.82 |
| | TOTAL | | 20,200.08 | 18,434.64 |

Significant Accounting policies &
Notes forming part of Financial Statements

1-32

As per our report of even date attached
For K R A & Co.
Chartered Accountants
Firm Registration No: 020266N


Rajat Goyal
Partner

Membership No. 503150
Place: New Delhi
Date: 26.05.2018

For and on behalf of the Board of Directors
SARVESHWAR OVERSEAS LIMITED


Rohit Gupta
Managing Director
DIN:02715232
Place: Jammu
Date: 26.05.2018


Anil Sharma
Director
DIN:07417538
Place: Jammu
Date: 26.05.2018

SARVESHWAR OVERSEAS LIMITED
Statement of Profit and Loss for the year ended March 31, 2018

| | Particulars | Note No. | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|----------|---|----------|--|--|
| | | | Rs in lakhs | Rs in lakhs |
| A | INCOME | | | |
| 1 | Revenue from Operations | 17 | 24,812.44 | 21,024.26 |
| 2 | Other Income | 18 | 163.05 | 163.82 |
| 3 | Total Income (1+2) | | 24,975.49 | 21,188.09 |
| 4 | EXPENSE | | | |
| | (a) Cost of Material consumed | 19 | 13,164.78 | 14,300.95 |
| | (b) Purchase of Traded goods | | 10,996.04 | 9,988.13 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 20 | (1,756.25) | (5,379.92) |
| | (d) Employee Benefits Expense | 21 | 94.31 | 148.59 |
| | (e) Finance Cost | 22 | 1,315.52 | 1,053.69 |
| | (f) Depreciation | 11 | 159.24 | 179.93 |
| | (g) Other Expenses | 23 | 761.73 | 711.36 |
| | Total Expenses. | | 24,735.39 | 21,002.73 |
| 5 | Profit before tax (3-4) | | 240.11 | 185.36 |
| 6 | Tax expense: | | | |
| | (a) Current Tax | | 67.90 | 65.08 |
| | (b) Deferred tax | | (9.25) | (3.65) |
| | | | 58.65 | 61.43 |
| 7 | Profit for the year (5-6) | | 181.46 | 123.93 |
| 8 | Earning per share (Face value of Rs.10) | 24 | | |
| | Basic | | 1.21 | 0.83 |
| | Diluted | | 1.21 | 0.83 |

Significant Accounting policies &
Notes forming part of Financial Statements
As per our report of even date attached

1-32

For K R A & Co.
Chartered Accountants
Firm Registration No: 020266N

Rajat Goyal
Partner
Membership No. 503150
Place: New Delhi
Date: 26.05.2018



For and on behalf of the Board of Directors
SARVESHWAR OVERSEAS LIMITED

Rohit Gupta
Managing Director
DIN:02715232
Place: Jammu
Date: 26.05.2018

Anil Sharma
Director
DIN:07417538
Place: Jammu
Date: 26.05.2018

(Handwritten signatures of Rohit Gupta and Anil Sharma)

SARVESHWAR OVERSEAS LIMITED
Cash Flow Statement for the year ended 31st March 2018

(Rs. In lakhs)

| Particulars | For the year ended | | For the year ended | |
|---|--------------------|------------|--------------------|------------|
| | 31-Mar-18 | | 31-Mar-17 | |
| A. Cash Flow from Operating Activities | | | | |
| Net Profit before Tax | | 240.11 | | 185.36 |
| Add/ (less) adjustment for: | | | | |
| Finance cost | 1,315.52 | | 1,053.69 | |
| Foreign Exchanges Gain | (5.81) | | (18.42) | |
| Prior Period adjustment | (8.46) | | 7.94 | |
| Interest On FDs | (2.14) | | (4.22) | |
| Depreciation | 159.24 | 1,458.36 | 179.93 | 1,218.91 |
| Adjustment for Working Capital | | | | |
| Short term borrowings | 1,667.08 | | 1,683.52 | |
| Trade Payables | 501.68 | | 2,238.65 | |
| Other non current liabilities | (103.46) | | 47.00 | |
| Other Current Liabilities | (207.95) | 1,857.35 | 150.65 | 4,119.83 |
| Inventories | (1,508.28) | | (5,473.27) | |
| Trade receivables | (802.87) | | 1,993.17 | |
| Other non current assets | 447.40 | | (447.40) | |
| Other Current assets | 13.00 | (1,850.75) | (20.83) | (3,948.34) |
| Less: Income Tax Paid | | 1,705.07 | | 1,575.76 |
| | | (75.66) | | (65.79) |
| Net Cash from Operating Activities | | 1,629.41 | | 1,509.97 |
| B. Cash Flow From Investing Activities | | 2.14 | | (16.43) |
| Fixed Assets Purchased (incl WIP) | (0.00) | | (20.65) | |
| Interest on FDs | 2.14 | | 4.22 | |
| C. Cash Flow From Financing Activities | | (1,572.67) | | (1,528.89) |
| Long term borrowings | (257.15) | | (475.20) | |
| Proceeds from issue of preference shares | - | | - | |
| Finance Cost | (1,315.52) | | (1,053.69) | |
| Net increase/(decrease) in cash and cash equivalents | | 58.87 | | (35.35) |
| Cash and cash equivalents at the beginning of the year | | 6.00 | | 41.35 |
| Cash and cash equivalents at the end of the year | | 64.88 | | 6.00 |

Significant Accounting policies &

Notes forming part of Financial Statements

1-32

As per our report of even date attached

For K R A & Co.

Chartered Accountants

Firm Registration No: 020266N

Rajat Goyal

Partner

Membership No. 503150

Place: New Delhi

Date: 26.05.2018

For and on behalf of the Board of Directors
SARVESHWAR OVERSEAS LIMITED

Rohit Gupta
 Managing Director

DIN:02715232

Place: Jammu

Date: 26.05.2018

Anil Sharma
 Director

DIN:07417538

Place: Jammu

Date: 26.05.2018

SARVESHWAR OVERSEAS LIMITED
Notes to Accounts as on March 31' 2018

1 Corporate information

Sarveshwar Overseas Limited is engaged in Manufacturing, Trading and Export of Basmati rice, which is a long grain with a fine texture. It is one of the most expensive rice varieties in the world. It has strong aroma in raw and cooked forms, and its longer size differentiates it from non-basmati variants. The word basmati means the 'queen of fragrance' or the 'perfumed one'. The rice's perfumed, nut-like flavour and aroma are its innate characteristics, which get enhanced with age. Therefore, basmati rice, which is available in both white and brown forms, needs to be matured for at least 6-8 months to be marketable.

The company is a closely held public limited company controlled by the family of promoters. The directors of the company are well experienced in the line of activity.

2 Basis of Preparation of financial statements(Significant Accounting Policies & other explanatory Notes)

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous years.

2.2 Use of estimates

The preparation of financial statements are in conformity with the Accounting Standards which requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to the contingent liabilities as on the date of balance sheet and the reported amount of revenues and expenditures during the reporting period. The estimates and assumptions used in the Financial Statements are based upon Management's best evaluation of the relevant facts and circumstances as of the date of the Financial Statements. Examples of such estimates include useful life of fixed assets, creation of deferred tax asset, lease rentals and write off of deferred revenue expenditure. Actual results may differ from those estimates.

2.3 Inventories

Inventories are valued at cost after providing for obsolescence and other losses, where considered necessary and realizable value whichever is less. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

2.4 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term investments with an original maturity of three months or less. Earmarked balances with bank, margin money or security against borrowings, guarantees and other commitments, if any shall be treated separately from cash and cash equivalent

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

Depreciation has been provided as per the useful life of the respective asset by retaining 5% as residual value in accordance with the Schedule II to the Companies Act, 2013.

Depreciation on addition to fixed assets is provided on pro-rata basis from the date the assets are acquired/installed. Depreciation on sale/deduction from fixed assets is provided for upto the date of sale, deduction and discardment as the case may be.

In case of items having value of Rs. 5,000/- or below that are acquired during the year are charged to profit & loss account at 100% in the year of purchase.

2.7 Revenue recognition

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax, value added tax and GST. The company follows the mercantile system of accounting and recognizes the income and expenditures on accrual basis except in case of significant uncertainties. Certain items of income such as insurance claim, market fees refund, overdue interest from customers etc have been considered to the extent the amount is accepted by the parties

Domestic sales are recognized at the point of dispatches to customers.
Export Sales at the time of issue of Bill of Lading.

2.8 Other income

Interest income is recognised on time proportion basis.



- 2.9 **Tangible fixed assets**
Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use, including borrowing cost till commencement of commercial production, net changes on foreign exchange contracts, if capitalization criteria are met. Capital work in progress is stated at cost. Capital work in progress includes the cost of fixed assets that are not yet ready for their intended use, as on the balance sheet date.
- 2.10 **Intangible assets**
Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.
- 2.11 **Foreign currency transactions and translations**
Initial recognition
Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
Measurement of foreign currency monetary items at the Balance Sheet date
Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.
Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.
- 2.12 **Government grants, subsidies and export incentives**
Export Incentive if any is accounted on accrual basis except Interest Subsidy which has been accounted for on receipt basis.
- 2.13 **Investments**
Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.
Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.
- 2.14 **Employee benefits**
The Company has adopted the Accounting Standard 15- Employee Benefits prescribed under the Companies (Accounting Standards) Rules, 2006. Employee benefits include provident fund, bonus, superannuation fund, compensated absences, long service awards and post-employment medical benefits. The Company's obligation towards various employee benefits has been recognized as follows:
Short Term Employee Benefits
All employee benefits payable wholly within twelve months of rendering the service are short-term employee benefits. Benefits such as salaries, wages and bonus wages, etc, are recognized in the Profit and Loss statement in the period in which the employee renders the related service.
Defined contribution plans
The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.
- 2.15 **Borrowing costs**
Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.
Borrowing cost attributable to the fixed assets during construction/ exploration, renovation and modernization are capitalized. Such borrowing costs are apportioned on the average balance of capital work in progress for the year. Other borrowing costs are recognized as an expense in the period in which they are incurred.
- 2.16 **Segment reporting**
The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. However the company is currently dealing in only one primary segment.



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2.17 **Taxes on income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income that originates in one period and are capable of reversal in one or more subsequent periods

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if

2.18 **Impairment of assets**

The carrying values of assets / cash generating units are reviewed at each Balance Sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

2.19 **Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A contingent liability is disclosed where, as a result of past events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.20 **Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.21 **Leases**

a) **Finance lease**

- i) Assets taken on finance lease are capitalised at fair value or net present value of the minimum lease payments, whichever is less.
- ii) Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

b) **Operating lease**

- i) Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating lease. Lease rent are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

2.22 **Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.23 **The Previous year figures have been regrouped/regrouped wherever necessary to make them comparable.**



Notes on Financial Statements

3. Share Capital

| Particulars | As at 31st Mar 2018 | | As at 31st Mar 2017 | |
|---|---------------------|----------------|---------------------|----------------|
| | No. of Shares | Amount (Rs) | No. of Shares | Amount (Rs) |
| Authorised Capital | | | | |
| Equity shares of Rs. 10 each with voting rights | 15,000,000 | 150,000,000.00 | 15,000,000.00 | 150,000,000.00 |
| Preference Shares of Rs. 1000 each | 220,000 | 220,000,000.00 | 220,000.00 | 220,000,000.00 |
| | 15,220,000 | 370,000,000.00 | 15,220,000.00 | 370,000,000.00 |
| Issued & Subscribed Capital | | | | |
| Equity shares of Rs. 10 each with voting rights | 15,000,000 | 150,000,000.00 | 15,000,000.00 | 150,000,000.00 |
| Preference Shares of Rs. 1000 each | 220,000 | 220,000,000.00 | 220,000.00 | 220,000,000.00 |
| | 15,220,000 | 370,000,000.00 | 15,220,000.00 | 370,000,000.00 |

| | | | | |
|---|---------------------|----------------|---------------------|----------------|
| A) Reconciliation of number of equity shares outstanding | As at 31st Mar 2018 | | As at 31st Mar 2017 | |
| | No. of Shares | Amount (Rs) | No. of Shares | Amount (Rs) |
| As at the beginning of the year | 15,000,000 | 150,000,000.00 | 15,000,000.00 | 150,000,000.00 |
| Add: Issued during the year | - | - | - | - |
| Less: Bought back during the year | - | - | - | - |
| As at the end of the year | 15,000,000 | 150,000,000.00 | 15,000,000.00 | 150,000,000.00 |

| | | | | |
|---|---------------------|-------|---------------------|-------|
| B) Shareholders holding more than 5% of the equity shares in the company | As at 31st Mar 2018 | | As at 31st Mar 2017 | |
| | No. of Shares | % | No. of Shares | % |
| Sarveshwar Foods Ltd | 14,850,000 | 99.00 | 14,850,000.00 | 99.00 |

| | | | | |
|---|---------------------|----------------|---------------------|----------------|
| B) Reconciliation of number of Preference Shares outstanding | As at 31st Mar 2018 | | As at 31st Mar 2017 | |
| | No. of Shares | Amount (Rs) | No. of Shares | Amount (Rs) |
| As at the beginning of the year | 220,000 | 220,000,000.00 | 15,000,000.00 | 150,000,000.00 |
| Add: Issued during the year | - | - | - | - |
| Less: Bought back during the year | - | - | - | - |
| As at the end of the year | 220,000 | 220,000,000.00 | 15,000,000.00 | 150,000,000.00 |

| | | | | |
|---|---------------------|--------|---------------------|--------|
| B) Shareholders holding more than 5% of the Preference shares in the company | As at 31st Mar 2018 | | As at 31st Mar 2017 | |
| | No. of Shares | % | No. of Shares | % |
| Mr. Rohit Gupta- Director | 220,000 | 100.00 | 220,000.00 | 100.00 |



10. Short Term Provisions

(Rs. In Lakhs)

| Particulars | As at 31st Mar 2018 | As at 31st Mar 2017 |
|------------------------|---------------------|---------------------|
| Provision for Taxation | 17.90 | 25.66 |
| Total | 17.90 | 25.66 |

12 Other Non Current Assets

(Rs. In Lakhs)

| Particulars | As at 31st Mar 2018 | As at 31st Mar 2017 |
|----------------------------|---------------------|---------------------|
| Advance to Trade Creditors | - | 447.40 |
| Total | - | 447.40 |

13. Inventories

(Rs. In Lakhs)

| Particulars | As at 31st Mar 2018 | As at 31st Mar 2017 |
|---|---------------------|---------------------|
| (Stock of Traded Goods have been Valued at lower of Cost and NRV) | | |
| Finished Goods Trading | 2,707.66 | 742.08 |
| Finished Goods Manufacturing | 10,659.31 | 10,868.64 |
| Raw Material | 1,321.00 | 1,568.96 |
| Total | 14,687.96 | 13,179.68 |

14. Trade Receivables

(Rs. In Lakhs)

| Particulars | As at 31st Mar 2018 | As at 31st Mar 2017 |
|---|---------------------|---------------------|
| Outstanding for a Period exceeding 6 months | | |
| Unsecured Considered Good Debtors | 124.45 | 1,785.19 |
| Others | - | - |
| Unsecured Considered Good | 3,391.31 | 921.90 |
| Total | 3,515.77 | 2,707.09 |

15. Cash and Cash Equivalents

(Rs. In Lakhs)

| Particulars | As at 31st Mar 2018 | As at 31st Mar 2017 |
|---------------------------|---------------------|---------------------|
| Balances with Banks | 10.70 | 1.78 |
| Advances Against Imperest | 2.15 | - |
| Cash in hand | 9.30 | 4.23 |
| Total | 22.15 | 6.00 |

16. Other Current Assets

(Rs. In Lakhs)

| Particulars | As at 31st Mar 2018 | As at 31st Mar 2017 |
|----------------------------|---------------------|---------------------|
| Prepaid Expenses | 3.83 | 1.76 |
| Prepaid Fee & Taxes | - | 2.46 |
| Loans & Advances | 0.78 | 0.14 |
| TDS Receivable (2017-2018) | 0.97 | - |
| Security Deposits | 65.24 | 79.46 |
| Total | 70.81 | 83.82 |



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[Circular stamp: SARVESHWAR OVERSEAS]

17. Revenue from Operation

(Rs. In Lakhs)

| Particulars | For the year ended 31st Mar 2018 | For the year ended 31st Mar 2017 |
|-------------|----------------------------------|----------------------------------|
| Sales | 24,812.44 | 21,024.26 |
| Total | 24,812.44 | 21,024.26 |

18. Other Income

(Rs. In Lakhs)

| Particulars | For the year ended 31st Mar 2018 | For the year ended 31st Mar 2017 |
|---------------------------|----------------------------------|----------------------------------|
| Discount & Rebate | 21.05 | (0.00) |
| Cessation of Liability | 26.30 | 5.08 |
| Interest on FDR | 2.14 | 4.22 |
| Interest Subsidy | 106.89 | - |
| Miscellaneous income | 0.56 | 135.96 |
| Insurance Claim | 0.30 | - |
| Exchange Rate Fluctuation | 5.81 | 18.42 |
| Vat Remission | - | 0.14 |
| Total | 163.05 | 163.82 |

19. Cost of Material Consumed

(Rs. In Lakhs)

| Particulars | For the year ended 31st Mar 2018 | For the year ended 31st Mar 2017 |
|--------------------------|----------------------------------|----------------------------------|
| Opening Stock | 1,568.96 | 1,475.61 |
| Purchase during the year | 12,698.81 | 14,200.66 |
| Freight Inward | 97.10 | 68.31 |
| Packing Material | 120.91 | 125.33 |
| Closing Stock | 1,321.00 | 1,568.96 |
| Total | 13,164.78 | 14,300.95 |

20. Changes in Inventory of Finished Goods

(Rs. In Lakhs)

| Particulars | For the year ended 31st Mar 2018 | For the year ended 31st Mar 2017 |
|---------------|----------------------------------|----------------------------------|
| Opening Stock | 11,610.72 | 6,230.80 |
| Closing Stock | 13,366.97 | 11,610.72 |
| Total | (1,756.25) | (5,379.92) |

21. Employee Benefit Expenses

(Rs. In Lakhs)

| Particulars | For the year ended 31st Mar 2018 | For the year ended 31st Mar 2017 |
|---|----------------------------------|----------------------------------|
| Administration Charges (PF) | 0.45 | 0.30 |
| Bonus | 1.64 | 2.31 |
| Employees Deposit Linked Insurance (PF) | - | 0.25 |
| Staff Pension | 0.27 | 0.40 |
| Group Insurance | - | 0.03 |
| Gratuity | 0.04 | 0.08 |
| | | 0.41 |
| Employees State Insurance (Employer) | 0.87 | |
| Employer Contribution to PF | 2.44 | 3.04 |
| Incentive to Staff | - | 1.18 |
| Medical Charges | 0.02 | 0.07 |
| Salaries | 83.64 | 131.68 |
| Staff Welfare | 4.94 | 8.82 |
| Total | 94.31 | 148.59 |



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22. Finance Cost

(Rs. In Lakhs)

| Particulars | For the year ended 31st Mar 2018 | For the year ended 31st Mar 2017 |
|------------------------------|----------------------------------|----------------------------------|
| Bank Interest | 1,203.80 | 1,030.63 |
| Bank Charges | 1.72 | 13.89 |
| Dividend on Preference Share | 110.00 | 9.17 |
| Total | 1,315.52 | 1,053.69 |

23. Other Expenses

(Rs. In Lakhs)

| Particulars | For the year ended 31st Mar 2018 | For the year ended 31st Mar 2017 |
|--|----------------------------------|----------------------------------|
| Direct expenses | | |
| Fumigation expense | 0.40 | - |
| Interest on paddy | 5.34 | 1.14 |
| Pest control service charges | 8.00 | 13.51 |
| Repair & Maintenance | 64.99 | 61.02 |
| Consumables | 6.14 | 2.18 |
| Electricity Charges | 82.90 | 68.82 |
| Excess & Shortage | - | (0.74) |
| Toll Tax | 0.36 | 0.46 |
| Job Work | 22.72 | 81.31 |
| Rate Difference Paddy | 33.59 | 12.17 |
| Wages | 209.30 | 188.62 |
| | 433.74 | 428.49 |
| Business Development Expenses | | |
| Business Promotion | 1.43 | 2.33 |
| | 1.43 | 2.33 |
| Selling, Distribution & Administration Expenses | | |
| Audit fee | 4.67 | 8.12 |
| Brokerage & Commission | 26.73 | 9.57 |
| Business Promotion & Marketing | 57.66 | 42.17 |
| Clearing & Handling Charges | 11.77 | 24.95 |
| Communication Charges | 5.57 | 16.19 |
| Conveyance & Travelling | 6.80 | 8.16 |
| CSR Expenses | 0.13 | - |
| Freight & transportation | 108.75 | 60.58 |
| Insurance | 20.76 | 13.21 |
| Misc Expenses | 26.57 | 20.24 |
| Printing & Stationery | 5.10 | 3.12 |
| Professional Fees | 7.92 | 18.95 |
| Rent rates & Taxes | 27.05 | 22.88 |
| Repair & Maintenance | 17.12 | 32.41 |
| | 326.57 | 280.54 |
| Total | 761.73 | 711.36 |

| 24. Earnings Per Share | For the year ended 31st Mar 2018 | For the year ended 31st Mar 2017 |
|--|----------------------------------|----------------------------------|
| a) Profit after Tax | 181.46 | 123.93 |
| b) Profit attributable to Ordinary Share Holders | 181.46 | 123.93 |
| c) No of ordinary Shares of Basic EPS | 150.00 | 150.00 |
| d) Nominal Value per share | 10.00 | 10.00 |
| e) Basic / diluted Earning per Ordinary Share | 1.21 | 0.83 |



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[Circular stamp: KRA & CO. OVERSEAS]

Sarveshwar Overseas Limited

Note 11: Fixed Asset schedule for the year ended 31st March 2018
(As per Companies Act 2013)

(Rs. In lakhs)

| Assets | WDV as at 01.04.2017 | Additions | Total | Rate of Depreciation | Depreciation on opening WDV | Depreciation on Addition | Depreciation for the Period | WDV as at 31.03.2018 |
|-------------------------|-------------------------|-----------|----------|-------------------------|--------------------------------|-----------------------------|--------------------------------|-------------------------|
| | | | | | | | | |
| Air Conditioner | 1.57 | 0.31 | 1.88 | 0.26 | 0.41 | 0.06 | 0.47 | 1.41 |
| Bakery Project A/c | 4.20 | | 4.20 | 0.18 | 0.76 | | 0.76 | 3.44 |
| Building | 587.27 | 12.93 | 600.21 | 0.10 | 55.81 | 0.94 | 56.75 | 543.46 |
| Capsealing Machine | 0.23 | 0.08 | 0.31 | 0.18 | 0.04 | 0.01 | 0.05 | 0.25 |
| CC Camera | 0.85 | 1.95 | 2.80 | 0.45 | 0.38 | 0.08 | 0.46 | 2.33 |
| Computer | 1.75 | 2.41 | 4.17 | 0.63 | 1.11 | 0.88 | 1.98 | 2.18 |
| Cooler | 0.04 | | 0.04 | 0.45 | 0.02 | | 0.02 | 0.02 |
| Electric Fittings | 25.44 | 1.21 | 26.65 | 0.26 | 6.58 | 0.14 | 6.73 | 19.92 |
| ETP Plant | 13.85 | | 13.85 | 0.18 | 2.51 | | 2.51 | 11.34 |
| Finger Slam Machine | 0.02 | | 0.02 | 0.45 | 0.01 | | 0.01 | 0.01 |
| Fire Extinguisher | 0.43 | | 0.43 | 0.45 | 0.19 | | 0.19 | 0.23 |
| Fork Lift | 7.60 | | 7.60 | 0.18 | 1.38 | | 1.38 | 6.22 |
| Furniture & Fixture | 4.23 | 5.50 | 9.73 | 0.26 | 1.10 | 1.09 | 2.18 | 7.55 |
| Generator | 3.39 | | 3.39 | 0.26 | 0.88 | | 0.88 | 2.52 |
| Lab Equipment | 2.04 | 1.64 | 3.68 | 0.26 | 0.53 | 0.25 | 0.78 | 2.90 |
| Land | 898.28 | | 898.28 | - | - | | - | 898.28 |
| LCD TV | 0.38 | | 0.38 | 0.45 | 0.17 | | 0.17 | 0.21 |
| Mobile Assets | 1.06 | 0.80 | 1.86 | 0.45 | 0.48 | 0.21 | 0.69 | 1.17 |
| Motor Cycle-JK21A-7663 | 0.20 | | 0.20 | 0.26 | 0.05 | | 0.05 | 0.15 |
| Motor Cycle-JK21A-7668 | 0.20 | | 0.20 | 0.26 | 0.05 | | 0.05 | 0.15 |
| Motor Cycle-JK21A-7669 | 0.20 | | 0.20 | 0.26 | 0.05 | | 0.05 | 0.15 |
| Motor Cycle-DL8BG6282 | 0.26 | | 0.26 | 0.26 | 0.07 | | 0.07 | 0.19 |
| Motor Cycle-JK21A-8961 | 0.09 | | 0.09 | 0.26 | 0.02 | | 0.02 | 0.07 |
| Motor Cycle-PB02CF-5542 | 0.18 | | 0.18 | 0.26 | 0.05 | | 0.05 | 0.14 |
| P&M Boiler | 36.10 | | 36.10 | 0.18 | 6.54 | | 6.54 | 29.57 |
| Plant & Machinery | 383.17 | 15.50 | 398.67 | 0.18 | 69.37 | 2.19 | 71.56 | 327.11 |
| Printer & Projector | 0.13 | 0.21 | 0.34 | 0.45 | 0.06 | 0.03 | 0.09 | 0.24 |
| Refrigerator Assets | 0.02 | | 0.02 | 0.45 | 0.01 | | 0.01 | 0.01 |
| Telephone | 0.05 | | 0.05 | 0.45 | 0.02 | | 0.02 | 0.03 |
| Tower | 0.70 | | 0.70 | 0.26 | 0.18 | | 0.18 | 0.52 |
| Tractor | 1.40 | | 1.40 | 0.31 | 0.44 | | 0.44 | 0.96 |
| Truck Weight Bridge | 2.02 | 0.19 | 2.21 | 0.18 | 0.37 | 0.02 | 0.39 | 1.82 |
| TV/Set Up Box | 0.01 | | 0.01 | 0.45 | 0.00 | | 0.00 | 0.00 |
| Utilities | 17.03 | | 17.03 | 0.18 | 3.08 | | 3.08 | 13.94 |
| Water Cooler | 0.04 | | 0.04 | 0.45 | 0.02 | | 0.02 | 0.02 |
| Water Dispenser | 0.03 | | 0.03 | 0.45 | 0.02 | | 0.02 | 0.02 |
| Water Purifier | 0.05 | | 0.05 | 0.45 | 0.02 | | 0.02 | 0.03 |
| Weighing Scales | 3.22 | | 3.22 | 0.18 | 0.58 | | 0.58 | 2.64 |
| Total | 1,997.72 | 42.73 | 2,040.45 | | 153.34 | 5.90 | 159.24 | 1,881.21 |



SARVESHWAR OVERSEAS LIMITED

Notes to Accounts as on March 31' 2018

25 Related party disclosures:**Nature and name of related parties****Holding Company**

Sarveshwar Foods Limited

Key Management Person

Rohit Gupta

Prabdeep Kaur (Company Secretary)

Relative of Key Management Person

Suraj Prakash Gupta

Radha Rani Gupta

Pooja Gupta

Enterprises Owned or controlled by Key Management Personnel or their relatives

Shree Jee Trading

Sarveshwar Logistics

Radhika Overseas

Sarveshwar International

Himalayan Bio Organic foods p Ltd

Himalayan Ancient Foods P Ltd

Transactions with related parties during the year:

(Rs. in Lakhs)

| Name of related party | Nature of transaction | Transaction during the year | |
|------------------------------------|-----------------------|------------------------------|------------------------------|
| | | Year ended March 31, 2018 | Year ended March 31, 2017 |
| Rohit Gupta | Salary | 18.00 | 18.00 |
| Sarveshwar Logistics | Freight | 12.00 | 3.92 |
| Pooja Gupta | Imprest | - | 1.06 |
| Radha Rani | Rent | 3.60 | 3.60 |
| Sarveshwar Foods Ltd | Sales | 1,078.52 | - |
| Himaylan Bio Organic Foods Pvt Ltd | Sales | 4.90 | - |
| Sarveshwar International | Sales | 65.88 | - |



26 Expenditure and earnings in foreign currency (on accrual basis)

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|------------------------|------------------------------|------------------------------|
| Expenditure | | |
| Commission on Exports | 9.27 | 0.49 |
| Earnings | | |
| Sale of finished goods | 961.75 | 1,040.19 |

27 The Company has taken office premises on cancelable operating leases. The lease payments charged to the statement of profit and loss in respect of such leases is Rs. 3.33 Lakhs (previous year Rs. 2.67 Lakhs).

28 Unhedged foreign currency exposures as at the balance sheet date

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2018 | | | | Year ended March 31, 2017 | | | |
|-------------|---------------------------|--------|------------------|------|---------------------------|--------|------------------|------|
| | in USD | in JPY | Exchange rate | in ₹ | in USD | in JPY | Exchange rate | in ₹ |
| NIL | | | | - | | | | - |

29 The balances of receivables, payables, security deposit given are subject to confirmation & reconciliation, if any.

30 Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five year or more of service gets a gratuity on separation at 15 days salary (last drawn salary) for each completed year of service.

The principle assumptions in determining the obligation for the Company's plan are shown below:

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|------------------------|---------------------------|---------------------------|
| Monthly rate | LIC (2006-08) Ultimate | Not Available |
| Withdrawal rate | 1% to 3% Depending on Age | |
| Discount rate | 7.5 | |
| Future Salary Increase | 7 | |

Results of Valuation

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|----------------------------|---------------------------|---------------------------|
| PV of Past Service Benefit | 3.95 | Not Available |
| Current Service Cost | 1.06 | |
| Total Service Gratuity | 36.05 | |
| Accrued Gratuity | 4.42 | |
| LCSA | 31.63 | |
| LC Premium | 0.08 | |
| Accrued Liability | 0.01 | |

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors on long term basis.




31 Details of secured short term borrowings as on March 31, 2018

(Rs. in Lakhs)

| Name of the lenders | Facility Type | Interest rate | Loan Currency | Sanctioned Amount in Lakhs | Tenure | Outstanding Loan as on date in INR in Lakhs | Security as per the loan agreement |
|-------------------------|---------------|---------------|---------------|----------------------------|-------------------------|---|--|
| J&K Bank | CC | NCLR + 0.75% | INR | 10,500.00 | Renewal Done Every Year | 9,550.11 | Various Immovable Propertires and Stocks & Debtors |
| J&K Bank PCFC | Sub Limit | Libor + 2% | USD | | Renewal Done Every Year | 97.24 | Various Immovable Propertires and Stocks & Debtors |
| J&K Bank PSFC | Sub Limit | Libor + 2% | USD | | Renewal Done Every Year | 20.39 | Various Immovable Propertires and Stocks & Debtors |
| d Bank Stock Pledge-831 | Pledge Limit | 11.38% | INR | 2,500.00 | Renewal Done Every Year | 2,125.40 | Various Immovable Propertires and Stocks & Debtors |
| Total | | | | 13,000.00 | | 11,793.14 | |

32 Figures in respect of the previous period have been recast to correspond to groupings of current period.

As per our report of even date

For K R A & Co
Firm Registration No: 020266N
Chartered Accountants

Rajat Goyal
Partner
Membership No. 503150
Place: New Delhi
Date: 26.05.2018



For and behalf of the Board of Directors
SARVESHWAR OVERSEAS LIMITED

Rohit Gupta
Managing Director
DIN:02715232
Place: Jammu
Date: 26.05.2018

Anil Sharma
Director
DIN:07417538
Place: Jammu
Date: 26.05.2018