



**SWAL CORPORATION LIMITED**

**ANNUAL ACCOUNTS FOR  
THE YEAR 2015 - 2016**

# T R Chadha & Co LLP

## Chartered Accountants

502, Marathon Icon,  
Off. Ganpatrao Kadam Marg  
Opp. Peninsula Corporate Park  
Lower Parel, Mumbai – 400 013  
Tel.: 022-49669000  
Fax.: 022-49669023  
Email:mumbai@trchadha.com



### INDEPENDENT AUDITOR'S REPORT

To the Members of SWAL Corporation Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of SWAL Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 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 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 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. The Management of the companies are responsible for 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; the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and the 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these 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,

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Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com

Regd. Office : Suite No. 1.1A, 2<sup>nd</sup> Floor, Gobind Mansion, H-Block, Connaught Circus, New Delhi - 110001

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Branches at: ❖ AHMEDABAD ❖ BENGALURU ❖ CHENNAI ❖ GURGAON ❖ HYDERABAD ❖ PUNE



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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 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 obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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 enclose in the Annexure a statement on the matters specified in 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 purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books.

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- c. the Balance Sheet, 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 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 written representations received from the directors and taken on record by the Board of Directors of the company, none of the directors of the company is disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) There were no pending litigations which would materially impact the financial position of the company.
  - (ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For T R Chadha & Co LLP  
Chartered Accountants  
Firm Regn No: 006711N/N500028

*Vikas Kumar*

Vikas Kumar  
(Partner)

Membership Number: 75363



Place: Mumbai  
Date: 20<sup>th</sup> April 2016

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### SWAL Corporation Limited – As on 31<sup>st</sup> March 2016

#### Annexure Referred to in paragraph 3 of our report of even date

1. **Fixed Assets**
  - a) The Company has maintained proper records showing full particulars including the quantitative details and situation of fixed assets.
  - b) As per the information and explanation given to us, the company has physically verified its assets during the previous year, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verifications.
  - c) There are no immovable properties in the name of company as appears from the books of accounts.
2. Taking into consideration the nature of business, we are of the opinion that the physical verification of the inventory is conducted at reasonable interval by the management. Further, the discrepancies noticed on verification between the physical stocks and records were not material in relation to the operation of the company.
3. The Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in register maintained under Section 189 of Companies Act 2013.
4. According to the information and explanation given to us, we are of the opinion that in respect of Loans, Investments, guarantees, and securities; the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
5. According to the information and explanation given to us, the Company has not accepted any deposits from the public.
6. As explained to us, sub section (1) of section 148 of the Companies Act, 2013 regarding maintenance of cost records is not applicable to the company.

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### 7. Statutory Dues

(a) The company has been generally regular in depositing its undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable with the appropriate authorities during the year. According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues were in arrears as at 31.3.2016 for a period of more than six months from the date they became payable.

(b) There are no disputed dues of Income Tax or sales tax or service tax or duty of customs or duty of excise or value added tax as on 31.03.2016 except following:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income tax Act, 1961	Income Tax	4176	2006-07	AO	-
Income tax Act, 1961	Income Tax	25000	2009-10	CIT	-
Income tax Act, 1961	Income Tax	778387	2010-11	AO	-
Income tax Act, 1961	Income Tax	752033	2011-12	AO	-
Income tax Act, 1961	Interest on Income Tax	2599	2012-13	AO	-

8. The company has not obtained any loans from financial institution / bank / government / debenture holders which are outstanding as on 31.03.2016 and hence there is no question of any default in the same.

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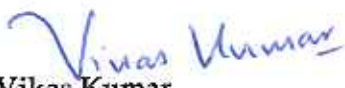
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9. According to the information and explanations given to us, the Company has not raised any money by way of Public issues and Term Loan during the year.
10. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.
11. No managerial remuneration has not been paid or provided for during the year.
12. The entity is not a Nidhi Company. Therefore, the provisions of clause (xii) of Para 3 of the Companies (Auditor's Report) Order are not applicable to the Company.
13. The transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required.
14. According to the information and explanations given to us and verified by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanations given to us and verified by us, the company has not entered into any non-cash transactions with directors or persons connected with him.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For T R Chadha & Co LLP  
Chartered Accountants  
Firm Regn No: 006711N/N500028

  
Vikas Kumar  
(Partner)  
Membership Number: 75363



Place: Mumbai  
Date: 20<sup>th</sup> April 2016

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**SWAL CORPORATION LIMITED**  
**Balance Sheet as at 31st March 2016**

Particulars	Note No.	Rs. in Lac	
		As at March 31st, 2016	As at March 31st, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.01	802.00	802.00
Reserves and surplus	2.02	6,620.55	5,693.97
		<b>7,422.55</b>	<b>6,495.97</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	2.03	2,700.00	2,700.00
Long-Term Provisions	2.04	84.90	75.06
		<b>2,784.90</b>	<b>2,775.06</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	2.03	1,400.00	1,500.00
Trade Payables	2.05	5,537.06	15,056.06
Other Current Liabilities	2.06	10,595.33	6,517.00
Short-term provisions	2.04	26.28	4.07
		<b>17,558.67</b>	<b>23,077.13</b>
<b>TOTAL</b>		<b>27,766.12</b>	<b>32,348.16</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	2.07	75.70	71.96
Intangible Assets	2.07	19.60	26.73
Non-Current Investments	2.08	243.18	3,336.03
Deferred Tax Assets (Net)	2.09	494.46	431.53
Long-Term Loans And Advances	2.10	911.89	321.97
		<b>1,744.83</b>	<b>4,188.22</b>
<b>Current Assets</b>			
Inventories	2.11	12,199.01	13,224.68
Trade Receivables	2.12	11,164.40	9,733.35
Cash And Cash Equivalents	2.13	1,077.21	3,564.98
Short-Term Loans And Advances	2.10	1,486.45	1,595.99
Other Current Assets	2.14	94.22	40.94
		<b>26,021.29</b>	<b>28,159.94</b>
<b>TOTAL</b>		<b>27,766.12</b>	<b>32,348.16</b>
Significant Accounting Policies and Notes to Accounts	1 & 2		

As per our attached report of even date

**For T R Chadha & Co LLP**  
**Chartered Accountants**  
**Firm's Registration No.:-006711N/N500028**

*Vikas Kumar*  
**Vikas Kumar**  
(Partner)

Membership No. 75363  
Place : Mumbai  
Date : 20th April 2016



**On behalf of the Board,**

*K.R. Srivastava*  
**K.R. Srivastava**  
Managing Director

*R.D. Shroff*  
**R.D. Shroff**  
Director

Place : Mumbai  
Date : 20th April 2016



**SWAL CORPORATION LIMITED****Statement of Profit and Loss for the year ended 31st March 2016**

Rs. in Lac except per share data

Particulars	Note No.	Year Ended March 31st, 2016	Year Ended March 31st, 2015
<b>Income</b>			
Revenue from operations	2.15	53,273.55	48,903.04
Other income	2.16	530.64	606.19
<b>Total Revenue</b>		<b>53,804.19</b>	<b>49,509.23</b>
<b>Expenses</b>			
Cost of materials consumed	2.17	2,658.20	3,180.57
Purchase of traded goods		40,342.64	44,291.66
Changes in inventories of finished goods and traded goods	2.18	1,030.11	(7,710.94)
Employee benefits expense	2.19	1,893.29	1,501.81
Finance cost	2.21	1,979.68	1,922.62
Depreciation and amortization expenses	2.07	21.59	21.59
Other expenses	2.20	4,445.76	4,182.74
<b>Total Expenses</b>		<b>52,371.27</b>	<b>47,390.05</b>
<b>Profit before tax</b>		<b>1,432.92</b>	<b>2,119.18</b>
Tax expenses:-			
Current tax		569.27	702.58
Deferred tax		-62.93	21.01
<b>Profit/(Loss) for the Year</b>		<b>926.58</b>	<b>1,395.59</b>
<b>Earnings per equity share</b>			
Basic	2.22	92.66	139.56
Diluted		92.66	139.56
Face Value per Share (Rs.)		10.00	10.00
Significant Accounting Policies and Notes to Accounts	1 & 2		

As per our attached report of even date

**For T R Chadha & Co LLP****Chartered Accountants****Firm's Registration No.:-006711N/N500028**

*Vikas Kumar*  
**Vikas Kumar**  
 (Partner)

Membership No. 75363

Place : Mumbai

Date : 20th April 2016

**On behalf of the Board,**





*K.R. Srivastava*  
**K.R. Srivastava**  
 Managing Director

*R.D. Shroff*  
**R.D. Shroff**  
 Director

Place : Mumbai

Date : 20th April 2016

**SWAL CORPORATION LIMITED**
**Cash flow statement for the year ended 31st March 2016**

Particulars	Rs. in Lac	
	Year Ended March 31st, 2016	Year Ended March 31st, 2015
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	1,432.92	2,119.18
Depreciation and amortization expense	21.59	21.59
Sundry Credit balances written Back	(5.08)	(1.48)
Excess Provision Written Back	(87.64)	(278.77)
Profit on sale of investment	(200.00)	-
Provision for doubtful debts	145.32	-
Provision for Other debts	32.05	18.95
Finance charges	489.71	615.29
Interest Income	(236.88)	(321.11)
Operating profit before working capital changes	1,591.99	2,173.65
Movements in working capital :		
Increase/ (decrease) in trade payables	(9,513.92)	8,853.71
Increase/ (decrease) in other current liabilities	4,165.97	2,695.92
Decrease / (increase) in trade receivables	(1,576.37)	(3,466.17)
Decrease / (increase) in inventories	1,025.67	(8,025.96)
Decrease / (increase) in loans and advances	(386.35)	(333.73)
Decrease / (increase) in other current assets	(53.28)	(32.90)
Cash generated from / (used in) operations	(4,746.29)	1,864.52
Direct taxes paid (net of refunds)	(638.72)	(890.74)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(5,385.01)</b>	<b>973.78</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(18.21)	(20.98)
Purchase of current and non-current investments	(7.15)	-
Sale of non-current investments	3,100.00	-
Profit on sale of investment	200.00	-
Interest on Other investment	0.15	0.31
Loans granted / repaid	(24.58)	(1,082.70)
Interest income	236.73	320.80
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>3,486.94</b>	<b>(782.57)</b>
<b>Cash flows from financing activities</b>		
Borrowing taken / repaid	(100.00)	1,500.00
Finance Charges	(489.71)	(615.29)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>(589.71)</b>	<b>884.71</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(2,487.78)</b>	<b>1,075.92</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,564.98</b>	<b>2,489.06</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,077.21</b>	<b>3,564.98</b>
<b>Cash and cash equivalents at the end of the year comprise of</b>		
Cash on Hand	1.66	1.56
Balances with Banks in Current Accounts	1,074.55	3,562.42
Fixed Deposit with Bank Kept as Margin Money	1.00	1.00
As per our attached report of even date		
<b>For T R Chadha &amp; Co LLP</b> <b>Chartered Accountants</b> <b>Firm's Registration No.:-006711N/N500028</b>	<b>On behalf of the Board,</b>	
 <b>Vikas Kumar</b> (Partner) Membership No. 75363 Place : Mumbai Date : 20th April 2016	 <b>K.R. Srivastava</b> Managing Director Place : Mumbai Date : 20th April 2016	 <b>R.D. Shroff</b> Director
		

**SWAL CORPORATION LIMITED**

**Significant Accounting Policies and Notes to Accounts forming part of accounts for the year ended 31st March 2016**

**INTRODUCTION:**

The Company was incorporated on 12<sup>th</sup> October, 1979. The company is engaged in the business of Fertilizer and agrochemicals.

**1 SIGNIFICANT ACCOUNTING POLICIES:**

**1.1 Basis of Preparation**

The financial statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on accrual basis and under the historical cost convention.

**1.2 Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**1.3 Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation and provision for impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Intangible assets are stated at acquisition cost less accumulated amortization, if any.

**1.4 Depreciation on tangible Assets**

Depreciation is provided for on straight line basis over the estimated useful life of the fixed asset as assessed by the management or as per schedule II to the Companies Act, 2013, whichever is lower. The same are as under:

Category of Assets	Useful life
Plant & Machinery	15 years
Furniture & Fixtures	10 Years
Office Equipments	5 Years
Computers	3 Years
Vehicles	8 Years

**1.5 Amortisation of Intangible Assets**

Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the company for its use.

**1.6 Impairment of Assets**

Impairment losses (if any) on fixed assets are recognized in accordance with the Accounting Standard 28 "Impairment of Assets" issued in this regard by The Institute of Chartered Accountants of India. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value.



## 1.7 Investments

### Presentation and Disclosure

Investments, which are readily realizable and intended for to be held not more than one year from the balance sheet date are classified as current investments. All other investments are classified as non-current investments.

### Recognition and Measurement

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are recognised as current investments. All other investments are recognised as long-term investments and carried at cost of acquisition. However, the carrying amount is reduced to recognise a decline, other than temporary, in the value of long-term investments by a charge to the statement of profit and loss. Current investments are stated at lower of cost or fair value determined on individual investment basis.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## 1.8 Inventories

(i) Stocks of stores and spares, packing materials and raw materials are valued at lower of cost or net realizable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

(ii) Finished products are valued at lower of cost or net realizable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Cost of finished goods includes excise duty, as applicable.

(iii) Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other cost incurred in bringing the inventory to their present location and condition. Cost is determined on a weighted average basis.

## 1.9 Revenue Recognition

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Export benefits under various scheme announced by the Central Government under Exim policies are accounted for on accrual basis to the extent considered receivable, depending on the certainty of receipt.

Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Certain items of income such as overdue interest from customers etc. have been considered to the extent the amount is ascertainable and is expected to be recovered.

## 1.10 Sales

Sales are stated at net of sales returns. Sales are exclusive of sales tax / value added tax.

## 1.11 Retirement Benefits

Provident fund is a defined contribution scheme established under a state plan. The contribution towards employees Provident Fund are made on a monthly basis to the Government Provident Fund and charged to the profit and loss account.

Superannuation fund is a defined contribution scheme. Contributions towards Superannuation Fund are made on a monthly basis to an Insurance Company and charged to the profit and loss account.

The company has a defined benefit Gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of financial year. The scheme is funded with an Insurance company.

The company has other long term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of actuarial valuation on projected unit credit method made at the end of financial year. The scheme is funded with an insurance company.

Actuarial gain/losses are recognized immediately to the Profit and Loss Account.



#### **1.12 Export Benefits**

The benefit accrued under the Duty Entitlement Pass Book, Duty Drawback and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head 'Other operating revenue'.

#### **1.13 Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

#### **1.14 Taxation**

Provision for current income tax is made on the taxable income using the applicable tax rates and tax laws. Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognized using the tax rates and tax laws that have been enacted or substantially enacted. Deferred tax assets are not recognized unless there is reasonable evidence with respect to the reversal of the same in future years. Deferred tax assets arising from the timing differences on account of carry forward of losses and unabsorbed depreciation are recognized to the extent there are virtual certainties that they would be realized in future. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income tax during the specified period. The company reviews the same at each balance sheet date and writes down the carrying amount of Mat Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

#### **1.15 Borrowing Cost**

Interest and other costs incurred for acquisition and construction of qualifying assets, up to the date of commissioning/ installation, are capitalized as part of cost of said asset. All other borrowing costs are expensed in the period they occur.

#### **1.16 Foreign Exchange Transactions**

Foreign Currency transactions are recorded on the basis of exchange rates prevailing on the date of their occurrence and gain or loss on transaction is recognized in profit and loss account.

Monetary items denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates, prevailing on the Balance Sheet date. Exchange differences arising as a result of above are recognized as income or expense in profit and loss account.

#### **1.17 Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **1.18 Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount of the obligation can be made. Provisions are not discounted to its present value and are determined based on the best estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current Management estimates.

#### **1.19 Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements. Contingent liabilities are not recognized but are disclosed in Notes.



**SWAL CORPORATION LIMITED**  
**Notes to Accounts for the year ended 31st March 2016**

**2.01 Share Capital**

Particulars	Rs. in Lac	
	31-Mar-16	31-Mar-15
<b>Authorized shares</b>		
3,000,000 (Previous Year 3,000,000) Equity shares of Rs.10 each	300.00	300.00
800,000 (Previous Year 800,000) - Non - Cumulative Non-Convertible Preference shares of Rs.100 each	800.00	800.00
	<b>1,100.00</b>	<b>1,100.00</b>
<b>Issued, subscribed and fully paid-up shares</b>		
1,000,007 (Previous Year 1,000,007) Equity shares of Rs.10 each	100.00	100.00
702,000 (Previous Year 702,000) 4% Non-Cumulative Non-Convertible Preference shares of Rs.100 each	702.00	702.00
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>802.00</b>	<b>802.00</b>

1. All the above Equity Shares and Preference Shares are held by holding company, UPL Limited.

2. 702000 Nos., 4% Non-Convertible Redeemable Non-Cumulative Preference Shares of Rs.100/- each is redeemable after the expiry of seven years from the date of allotment i.e. on 31st March, 2017.

**3. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

There is no increase / decrease in the shares during current and previous year

**4. Terms/ rights attached to equity shares**

The company has only one class of equity shares having par value of Rs. 10 per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**5. Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment including the terms and amount**

There are no reservations done for on account of shares during the year.

**6. Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash/bonus shares during period of five years immediately preceding the balance sheet date**

There were no issue of shares without payment being received in cash or as bonus shares during last five years preceding the date of balance sheet.

**7. Aggregate number of shares bought back during the period of five years immediately preceding the balance sheet date**

There was no buy back of shares during the period of five years immediately preceding the balance sheet date.

**8. Calls unpaid /Forfeited shares**

There are no calls unpaid and also no forfeited shares as on the balance sheet date.



**SWAL CORPORATION LIMITED**  
Notes to Accounts for the year ended 31st March 2016

**2.02 Reserves and Surplus**

Particulars	As at		Rs. in Lac
	31-Mar-16	31-Mar-15	
	<b>Surplus/ (deficit) in statement of Profit and Loss</b>		
Balance as per Last Balance Sheet	5,693.97		4,302.16
Add: Surplus for the year	926.58		1,395.59
Less: Carrying value of assets which have completed their useful lives (prescribed under Schedule II to the Act), (net of tax) as at April 1, 2014	-		3.78
<b>Net surplus in the Statement of Profit and Loss</b>	<b>6,620.55</b>		<b>5,693.97</b>

524.1

**2.03 Borrowings**

Particulars	As at				Rs. in Lac
	Long Term		Short Term		
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	
<b>Unsecured</b>					
Loan from Holding Company	2,700.00	2,700.00	1,400.00	1,500.00	
	<b>2,700.00</b>	<b>2,700.00</b>	<b>1,400.00</b>	<b>1,500.00</b>	

The Long Term Loan carries interest rate of 13% p.a. and is repayable after five years from the date of receipt i.e. 31st March 2013)

The Short Term Loan carries interest rate of 13% p.a. and is repayable on call.

**2.04 Provisions**

Particulars	As at				Rs. in Lac
	Long Term		Short Term		
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	
Provision for leave benefits	84.90	75.06	26.28	4.07	
	<b>84.90</b>	<b>75.06</b>	<b>26.28</b>	<b>4.07</b>	

**2.05 Trade Payables**

Particulars	As at		Rs. in Lac
	31-Mar-16	31-Mar-15	
	Trade payables		
a) For Goods	5,536.87		15,056.06
b) For Services	0.19		-
	<b>5,537.06</b>		<b>15,056.06</b>
Amount due to Holding Company	4,101.78		14,254.98
Amount due to Subsidiary Company	82.36		-

**2.06 Other Current Liabilities**

Particulars	As at		Rs. in Lac
	31-Mar-16	31-Mar-15	
	Advance from Customers	4,356.55	
Trade Deposits	929.48		707.37
Interest accrued but not due on deposits	25.37		105.38
Other Liabilities			
Provision for expenses	5,065.52		4,054.38
Statutory Dues	91.13		128.83
Accrued Salaries and Benefits	127.28		115.21
	<b>10,595.33</b>		<b>6,517.00</b>



**SWAL CORPORATION LIMITED**  
Notes to Accounts for the year ended 31st March 2016

**2.07 Fixed Assets**

ITEMS OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 1.4.2015	Addition	Adjustments*	Deletion	As at 31.3.2016	As at 1.4.2015	Adjustments*	For the Year	Deletion	As at 31.3.2016	As at 31.3.2015
<b>TANGIBLE ASSETS</b>											
Plant & Machinery	55.81	5.78	0.46	-	62.05	8.77	0.46	4.06	-	48.76	47.04
Furniture & Fixtures	5.96	2.61	0.13	-	8.70	2.09	0.13	0.70	-	5.78	3.87
Office Equipments	2.03	0.65	0.53	-	3.21	0.95	0.53	0.51	-	1.22	1.08
Vehicles	8.75	-	-	-	8.75	0.46	-	1.09	-	7.19	8.29
Computers	47.07	9.17	4.60	-	60.84	35.39	4.60	8.10	-	12.75	11.68
	<b>119.62</b>	<b>18.21</b>	<b>5.72</b>	<b>-</b>	<b>143.55</b>	<b>47.66</b>	<b>5.72</b>	<b>14.46</b>	<b>-</b>	<b>75.70</b>	<b>71.96</b>
<b>INTANGIBLE ASSETS</b>											
Business Rights Crop Health	50.64	-	-	-	50.64	23.91	-	7.13	-	19.60	26.73
	<b>50.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50.64</b>	<b>23.91</b>	<b>-</b>	<b>7.13</b>	<b>-</b>	<b>19.60</b>	<b>26.73</b>
<b>GRAND TOTAL</b>	<b>170.26</b>	<b>18.21</b>	<b>5.72</b>	<b>-</b>	<b>194.19</b>	<b>71.57</b>	<b>5.72</b>	<b>21.59</b>	<b>-</b>	<b>95.30</b>	<b>98.69</b>
Previous Year	155.00	20.98	5.72	-	170.26	49.98	-	21.59	-	98.69	98.69





**SWAL CORPORATION LIMITED**

Notes to Accounts for the year ended 31st March 2016

**2.08 Investments**

Particulars	Rs. in Lac	
	As at 31-Mar-16	31-Mar-15
<b>A Non-Current Investments</b>		
<b>i Investments in Equity Instruments</b>		
<b>Wholly Owned Subsidiary Company-Optima Farm Solutions Ltd.</b>		
15,49,994 (Previous year -15,49,994) Equity shares of Rs.10 each, fully paid	235.00	235.00
<b>Associate Company-Universal Pestochem (Industries) Pvt. Ltd.</b>		
18,130 (Previous year 18,130) Equity shares of Rs.100 each, fully paid	18.13	18.13
<b>Less: Provision for diminution in value of Investments</b>	(18.13)	(18.13)
	<b>235.00</b>	<b>235.00</b>
<b>ii Investment in Limited Liability Partnership*</b>		
United Phosphorus (India) LLP	7.65	0.50
United Phosphorus (Global) LLP	0.50	0.50
	<b>8.15</b>	<b>1.00</b>
<b>iii Investments in Government or trust securities</b>		
National Savings Certificates	0.03	0.03
	<b>0.03</b>	<b>0.03</b>
<b>iv Investment in Debentures</b>		
Nil (Previous Year 31) Unlisted Redeemable Secured Optionally Convertible Debentures of Rs. 1,00,00,000 each in Gowal Consulting Services Pvt. Ltd.	-	3,100.00
	-	<b>3,100.00</b>
<b>Total Non-current Investment</b>	<b>243.18</b>	<b>3,336.03</b>
(i) Aggregate amount of unquoted investments	243.18	3,336.03
(ii) Aggregate amount of quoted investments	-	-
(iii) Aggregate provision for diminution in value of Investments	18.13	18.13
<b>*Details Of Investment In Partnership Firms</b>		
	<b>Capital Contribution by</b>	
<b>Particulars</b>	<b>UPL Limited</b>	<b>SWAL</b>
1. United Phosphorus (India) LLP	145.35	7.65
2. United Phosphorus (Global) LLP	9.50	0.50



**SWAL CORPORATION LIMITED**  
**Notes to Accounts for the year ended 31st March 2016**

**2.09 Deferred Tax Asset (Net)**

Particulars	Rs. in Lac	
	As at 31-Mar-16	31-Mar-15
<b>Deferred tax liability</b>		
On account of Depreciation	3.18	0.96
On account of Gratuity Fund	14.51	16.36
<b>Gross Deferred tax liability</b>	<b>17.69</b>	<b>17.32</b>
<b>Deferred Tax Asset</b>		
On account of Disallowances		
Provision for Doubtful Debts	440.06	389.77
Provision for doubtful advances	14.56	14.56
Provision for Diminution in Value of shares	6.27	6.27
Provision for Leave Encashment	38.48	27.38
Provision for Gratuity- Contractors	12.78	10.87
<b>Gross Deferred Tax Asset</b>	<b>512.15</b>	<b>448.85</b>
<b>Deferred Tax Asset (Net)</b>	<b>494.46</b>	<b>431.53</b>



**SWAL CORPORATION LIMITED**  
**Notes to Accounts for the year ended 31st March 2016**

**2.10 Loans and advances**

Particulars	Rs. in Lac			
	Long Term As at		Short Term As at	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b><u>Unsecured, considered good</u></b>				
Security Deposits	43.25	37.29	124.35	102.41
<b>Loans and Advances to related parties</b>				
Optima Farms Solution Limited (Wholly Owned Subsidiary Company) (Payable on call at the rate of Interest of 13% p.a.)	-	-	215.00	816.42
<b>Loans and Advances to Other Parties</b>				
<b>Advance against Purchase of Property</b>	524.10	-	-	-
<b>Other Loans and Advances</b>				
Advance Income-Tax (net of provision for taxation of Rs.3674.04 Lac Previous Year Rs.3104.77 Lac)	310.15	240.70	-	-
Advance to Suppliers	-	-	173.05	339.63
Prepaid expenses	-	-	11.56	7.86
Advance to employees	-	-	27.65	25.07
Gratuity fund balance (net)	34.39	43.98	7.54	3.30
Vat Receivable	-	-	1.03	1.03
Sales Tax Refund Receivable	-	-	0.27	0.27
	<b>911.89</b>	<b>321.97</b>	<b>1,486.45</b>	<b>1,595.99</b>
<b><u>Unsecured, considered doubtful</u></b>				
Other Loans and Advances	42.06	42.06	-	-
Provision for doubtful Loans and Advances	(42.06)	(42.06)	-	-
<b>Total</b>	<b>911.89</b>	<b>321.97</b>	<b>1,486.45</b>	<b>1,595.99</b>



**SWAL CORPORATION LIMITED****Notes to Accounts for the year ended 31st March 2016****2.11 Inventories (valued at lower of cost and net realizable value)**

Particulars	Rs. in Lac	
	As at	
	31-Mar-16	31-Mar-15
Raw Materials	623.01	612.32
Packing Material	21.92	28.17
Finished goods	24.27	18.92
Traded goods	11,529.81	12,565.27
	<b>12,199.01</b>	<b>13,224.68</b>



**SWAL CORPORATION LIMITED**  
**Notes to Accounts for the year ended 31st March 2016**

**2.12 Trade receivables**

Particulars	Rs. in Lac	
	31-Mar-16	31-Mar-15
<b>Outstanding for a period exceeding six months from the date they are due for payment*</b>		
Unsecured, considered good	678.80	504.52
Unsecured, considered doubtful	1,255.74	1,124.16
	<b>1,934.54</b>	<b>1,628.68</b>
Provision for doubtful receivables	(1,255.74)	(1,124.16)
	<b>678.80</b>	<b>504.52</b>
<b>Other receivables*</b>		
Unsecured, considered good	10,485.60	9,228.83
Unsecured, considered doubtful	15.82	2.08
	<b>10,501.42</b>	<b>9,230.91</b>
Provision for doubtful receivables	(15.82)	(2.08)
	<b>10,485.60</b>	<b>9,228.83</b>
<b>Total</b>	<b>11,164.40</b>	<b>9,733.35</b>

\* Rs. 13.94 Lac (PY Nil) recoverable from Optima Farm Solutions Limited (Wholly Owned subsidiary Company)

**Provision for doubtful debts**

Periodically the company evaluates all customer dues to the company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, risk perception of the industry in which the customer operates, general economic factors which could affect the customers ability to settle.



**SWAL CORPORATION LIMITED**  
**Notes to Accounts for the year ended 31st March 2016**

**2.13 Cash and Cash Equivalents**

Particulars	Rs. in Lac	
	As at	
	31-Mar-16	31-Mar-15
Balances with banks	1,074.55	3,562.42
Cash on hand	1.66	1.56
Fixed Deposit with bank as margin money*	1.00	1.00
	<b>1,077.21</b>	<b>3,564.98</b>

\* Held with bank towards margin money of guarantee and is due within 12 months.

**2.14 Other Current Assets**

Particulars	Rs. in Lac	
	Current As at	
	31-Mar-16	31-Mar-15
<b>Unsecured, considered good</b>		
Export Benefits Receivable	1.18	0.61
Interest Receivable	93.04	40.17
Interest accrued on Investment	-	0.16
	<b>94.22</b>	<b>40.94</b>



**SWAL CORPORATION LIMITED****Notes to Accounts for the year ended 31st March 2016****2.15 Revenue from operations**

Particulars	Rs. in Lac	
	Year Ended March 31st, 2016	Year Ended March 31st, 2015
Sale of products	63,947.90	58,585.98
Less: excise duty	17.47	22.50
Less: Rebate & Discounts	10,748.06	9,985.53
Scrap sales	11.71	7.33
	<u>53,194.08</u>	<u>48,585.28</u>
Other operating revenue		
Export Incentives	3.58	2.42
Doubtful Debts Written Back (net)	-	121.48
Discount Received	-	49.53
Miscellaneous Receipts	75.89	144.33
<b>Revenue from operations</b>	<b><u>53,273.55</u></b>	<b><u>48,903.04</u></b>

**2.16 Other Income**

Particulars	Rs. in Lac	
	Year Ended March 31st, 2016	Year Ended March 31st, 2015
Interest Income	236.73	320.80
Excess Provisions in respect of earlier years written back (Net)	87.64	278.77
Income from Investment	0.15	0.31
Profit on Sale of Investment	200.00	-
Exchange Difference (Net)	-	4.35
Sundry Credit Balances Written Back (Net)	5.08	1.48
Rent Received	1.04	0.48
	<b><u>530.64</u></b>	<b><u>606.19</u></b>



**SWAL CORPORATION LIMITED**

Notes to Accounts for the year ended 31st March 2016

**2.17 Cost of Materials Consumed**

Particulars	Rs. in Lac	
	Year Ended March 31st, 2016	Year Ended March 31st, 2015
Raw Material Inventory at the beginning of the year	612.32	305.77
Add: Purchases	2,668.89	3,487.12
	<u>3,281.21</u>	<u>3,792.89</u>
Less: Raw Material inventory at the end of the year	623.01	612.32
Cost of materials consumed*	<u><b>2,658.20</b></u>	<u><b>3,180.57</b></u>
*Material comprises more than 10% of Consumption are as under:		
	<u><b>31-Mar-16</b></u>	<u><b>31-Mar-15</b></u>
DI AMMONIUM PHOSPHATE	20.61%	20.78%
MURIATE OF POTASH (50 KG)	17.88%	19.16%
BONEMEAL	34.23%	32.06%
LEATHERMEAL	12.26%	12.47%
OTHERS	15.02%	15.53%
	<u>100.00%</u>	<u>100.00%</u>





**SWAL CORPORATION LIMITED****Notes to Accounts for the year ended 31st March 2016****2.18 (Increase)/ Decrease in inventories**

Particulars	31-Mar-16	31-Mar-15	Rs. in Lac
			(Increase) / decrease
Inventories at the end of the year			31-Mar-14
Finished goods	24.27	18.92	(5.35)
Traded Goods	11,529.81	12,565.27	1,035.46
	<b>11,554.08</b>	<b>12,584.19</b>	<b>1,030.11</b>
Inventories at the beginning of the year			
Finished goods	18.92	65.41	46.49
Traded Goods	12,565.27	4,807.84	(7,757.43)
	<b>12,584.19</b>	<b>4,873.25</b>	<b>(7,710.94)</b>
<b>Net (Increase)/ Decrease In Inventory</b>	<b>1,030.11</b>	<b>(7,710.94)</b>	<b>(8,741.05)</b>

**2.19 Employee Benefits Expense**

Particulars	Rs. in Lac	
	Year Ended March 31st, 2016	Year Ended March 31st, 2015
Salaries, wages and bonus	1,550.17	1,229.36
Contribution to provident and other funds	137.32	108.67
Retirement Benefits	91.96	88.69
Staff welfare expenses	113.84	75.09
	<b>1,893.29</b>	<b>1,501.81</b>



**SWAL CORPORATION LIMITED****2.20 Other Expenses**

Particulars	Rs. in Lac	
	Year Ended March 31st, 2016	Year Ended March 31st, 2015
Consumption of stores and spares	0.50	0.21
Sub-contracting expenses	173.32	156.72
Rent	200.98	136.94
Rates and taxes	99.65	57.87
Insurance	91.25	88.84
Repairs and maintenance		
Plant and machinery	0.41	0.38
Buildings	-	0.05
Others	7.83	10.68
Exchange Difference	1.10	-
Commision in Sales	164.33	140.32
Advertising and Sales Promotion	958.98	1,241.88
Travelling and conveyance	752.31	741.85
Charity & Donations	43.50	78.02
Legal and professional fees	87.49	73.27
Payment to auditor (Refer details below)	11.66	9.31
Containers & Packing Materials Consumed	157.57	150.91
Transport Charges	1,107.95	893.57
Provision for doubtful debts and advances	145.32	-
Clearing and Forwarding expense	292.05	280.49
Other Expenses	149.56	121.43
	<b>4,445.76</b>	<b>4,182.74</b>

**Payment to Auditor**

Particulars	Rs. in Lac	
	31-Mar-16	31-Mar-15
Statutory Audit fees	9.50	9.00
Others	2.00	-
Reimbursement of expenses	0.16	0.31
	<b>11.66</b>	<b>9.31</b>

**2.21 Finance Cost**

Particulars	Rs. in Lac	
	Year Ended March 31st, 2016	Year Ended March 31st, 2015
Interest to Holding Company	476.98	591.80
Other Interest	0.34	13.54
Cash Discount	1,489.97	1,307.33
Other Financial Charges	12.39	9.95
	<b>1,979.68</b>	<b>1,922.62</b>



**SWAL CORPORATION LIMITED****Notes to Accounts for the year ended 31st March 2016****2.22 Earning per Share**

The company has adopted Accounting Standard-20 "Earning per Share" issued by The Institute of Chartered Accountants of India for calculation of EPS and the disclosure in this regard is given below:-

Particulars	Rs. in Lac except per share data	
	Year Ended March 31st, 2016	Year Ended March 31st, 2015
Basic / Diluted Earning Per Share:		
Profit after taxation as per Profit and Loss Account	(A) 926.58	1,395.59
Weighted average number of Equity Shares Outstanding	(B) 1,000,007	1,000,007
Basic/Diluted Earning Per Share (In Rupees)	(A)/(B) 92.66	139.56
Nominal value of equity share (In Rupees)	10.00	10.00

**Note**

The dividend on preference shares is not considered as the same is not declared and is non cumulative.



SWAL CORPORATION LIMITED				
Notes to Accounts for the year ended 31st March 2016				
2.23 Retirement Benefits:				
Disclosure as required by Accounting Standard (AS) - 15 (Revised 2006) "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006 are given below:				
a) The amounts recognised in the statement of Profit and Loss Account are as follows:				
(i) Defined Benefit Plan	Leave Encashment		Gratuity	
	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015
Current service cost	36.71	36.39	21.74	16.57
Interest cost on benefit obligation	11.54	9.14	5.90	3.95
Expected return on plan assets	(8.30)	(6.22)	(10.52)	(5.75)
Net actuarial (gain)/loss recognised during the year	26.09	7.34	7.21	0.01
Current service cost included under the head payments to Contribution and Other Funds in Note-2.18 "Employee Benefit Expenses"	68.04	46.64	23.93	11.58
Rs. in Lac				
(ii) Defined Contribution Plan	Provident Fund			
			Year Ended March 31, 2016	Year Ended March 31, 2015
Current service cost included under the head payments to Contribution and Other			64.48	51.03
Rs. in Lac				
(iii) Defined Contribution Plan	Superannuation Fund			
			Year Ended March 31, 2016	Year Ended March 31, 2015
Current service cost included under the head payments to Retirement Benefits in			72.04	57.53
Rs. in Lac				
b) The amounts recognised in the Balance Sheet are as follows:				
Defined Benefit Plan - Leave Encashment (Funded)	Defined Benefit Plan - Gratuity (Funded)			
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Present value of funded obligation	101.86	92.27	126.93	116.88
Present value of unfunded obligation	111.10	79.13	(41.93)	(47.28)
Less: Fair value of plan assets	101.06	67.27	126.93	116.88
Net Asset is included in "Note 2.10" - Loans and Advances	-	-	41.03	47.28
Rs. in Lac				
c) Changes in the present value of the defined benefit obligation representing				
	Leave Encashment		Gratuity	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Opening defined benefit obligation	171.40	174.23	69.60	49.49
Interest cost	13.54	9.14	5.49	3.66
Current service cost	36.71	36.40	21.74	16.38
Benefits paid	(35.98)	-	(18.37)	-
Actuarial (gains)/loss on obligation	27.37	11.63	6.71	(0.42)
Closing defined benefit obligation	213.04	171.40	85.00	69.60
Rs. in Lac				
d) Changes in the fair value of plan assets are as follows:				
	Leave Encashment		Gratuity	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Opening fair value of plan assets	67.27	56.75	116.80	108.35
Expected return	8.31	6.23	10.52	9.75
Contributions made by employer during the year	-	26.00	-	-
Benefits paid	1.20	1.29	(0.46)	(1.22)
Actuarial Gain/(Loss) on plan assets	101.86	92.27	126.94	116.88
Closing fair value of plan assets	101.86	92.27	126.94	116.88
Rs. in Lac				
e) Expected contribution to defined benefit plan for the year 2015-16				
			Leave Encashment	Gratuity
			Nil	Nil
f) The major categories of plan assets as a percentage of the fair value of total				
	Leave Encashment		Gratuity	
	As at 31st March, 2016 %	As at 31st March, 2015 %	As at 31st March, 2016 %	As at 31st March, 2015 %
Investments with Insurer under: (a) Funds Managed by Insurer	100.00	100.00	100.00	100.00
Rs. in Lac				
g) The principal actuarial assumptions at the Balance Sheet date:				
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Discount rate	7.50%	9.00%	7.90%	9.00%
Expected rate of return on plan assets	9.00%	9.00%	9.00%	9.00%
Mortality Rate	Indian Assured Life Mortality (2006-08) Ult.	Indian Assured Life Mortality (2006-09) Ult.	Indian Assured Life Mortality (2006-08) Ult.	Indian Assured Life Mortality (2006-08) Ult.
Proportion of employees opting for early retirement	5% at younger ages and reducing to 1% at old age	5% at younger ages and reducing to 1% at old age	5% at younger ages and reducing to 1% at old age	5% at younger ages and reducing to 1% at old age
Retirement Age	58 Yrs	58 Yrs	58 Yrs	58 Yrs
Salary Escalation Rate	7.00%	7.25%	7.00%	7.25%
The estimates of future salary increases, considered in actuarial valuation, takes				



**SWAL CORPORATION LIMITED**  
**Notes to Accounts for the year ended 31st March 2016**

**2.24 Related Party Transactions**

Related Party disclosure as required by Accounting Standard (AS) - 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India.

Relationship:

(A) Name of the Holding company  
 UPI Limited

(B) Name of the Subsidiary Company  
 Opima Farm Solutions Limited - Wholly owned subsidiary company

(C) Enterprises over which Key Management Personnel and their relatives have significant influence having transactions during the year  
 Ullima Search  
 Gharpara Engineering and Construction Private Limited

(D) Key Management Personnel  
 Mr. K R Srivastava - Managing Director  
 Mr. Rajnikant D. Shroff  
 Mrs. Asha A. Ashar  
 Mr. Salim P. Govani  
 Mr. Bhupendrakumar D. Dalwadi

The following transactions were carried out with the Related parties in the ordinary course of business:

Rs. in Lac

NATURE OF TRANSACTIONS	Holding Company		Wholly Owned Subsidiary Company		Enterprises over which Key Management Personnel and their relatives have significant influence		Enterprises over which Key Management Personnel and their relatives have significant influence		Grand Total	
	April 15 to March 16	April 14 to March 15	April 15 to March 16	April 14 to March 15	April 15 to March 16	April 14 to March 15	April 15 to March 16	April 14 to March 15	April 15 to March 16	April 14 to March 15
<b>Expenses</b>										
Purchase	35,599.93	41,345.69	207.36	-	-	-	-	-	35,806.19	41,345.69
Interest Expenses	475.98	591.80	-	-	-	-	-	-	475.98	591.80
Interest Income	-	-	108.64	55.62	-	-	82.52	-	191.16	55.62
Other Expenses	277.52	71.96	-	-	-	-	-	-	277.52	71.96
Reimbursement of Expenses	-	-	5.31	5.64	0.01	-	-	-	6.32	5.64
Sales	-	-	-	-	-	1.41	-	-	-	1.41
Other Income	-	-	-	-	-	0.02	-	-	-	0.02
<b>Assets</b>										
Loan granted	-	-	24.90	702.79	-	-	1,110.00	-	1,135.00	702.79
Loan Refund	-	-	626.42	-	-	-	350.00	-	976.42	-
<b>Liabilities</b>										
Loan taken	1,400.00	5,500.00	-	-	-	-	-	-	1,400.00	5,500.00
Loan repaid	1,500.00	4,000.00	-	-	-	-	-	-	1,500.00	4,000.00
<b>Outstanding at the year end</b>										
Payable - Holding Company	8,201.77	18,454.58	-	-	-	-	-	-	8,201.77	18,454.58
Ullima Search	-	-	-	-	0.11	0.18	-	-	0.11	0.18
<b>Receivable at the year end</b>										
Opima Farm Solutions Limited	-	-	146.58	873.10	-	-	-	-	146.58	873.10
1474							842.52	-	842.52	-



**SWAL CORPORATION LIMITED**  
**Notes to Accounts for the year ended 31st March 2016**

**2.25 Contingent Liabilities and Commitments**

Particulars	Rs. in Lac	
	31-Mar-16	31-Mar-15
<b>Claims against the company not acknowledged as debts</b>		
(a) Universal Pestochem Industries India Pvt. Ltd for their claim filed in the court	861.78	769.45
(B) Others	64.68	61.07
	<b>926.46</b>	<b>830.52</b>

**2.26 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

Particulars	Rs. in Lac	
	31-Mar-16	31-Mar-15
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	52.33	53.64
Interest due on above	-	-
	<b>52.33</b>	<b>53.64</b>

The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year

-

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.

-

The amount of interest accrued and remaining unpaid at the end of each accounting year

-

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006

-

The identification of Micro, Small and Medium enterprises is based on the management's knowledge of their status. The Company has not received any intimation from suppliers regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006".



**SWAL CORPORATION LIMITED**

Notes to Accounts for the year ended 31st March 2016

**2.27 Imported and indigenous raw materials, components and spare parts consumed**

Particulars	% of Total consumption 31-Mar-16	Value (Rs.in Lac) 31-Mar-15	% of Total consumption 31-Mar-16	Value (Rs.in Lac) 31-Mar-15
Raw Materials				
Imported	0.00%	-	0.00%	-
Indigenous	100.00%	2,658.20	100.00%	3,180.57
	<b>100.00%</b>	<b>2,658.20</b>	<b>100.00%</b>	<b>3,150.40</b>

\* In giving the above information, the Company has taken the view that Components and Spare parts as referred to in Clause 49 (c) of Part II of Schedule VI cover only such items as go directly into production and not those used as spares for repairs and maintenance of Plant and Machinery.



**SWAL CORPORATION LIMITED**  
**Notes to Accounts for the year ended 31st March 2016**

**2.28 Activity in Foreign Currency**

	Rs. in Lac	
	31-Mar-16	31-Mar-15
<b>Expenditure in foreign currency</b>		
Exchange Difference	1.10	-
Others	1.64	0.81
	<b>2.74</b>	<b>0.81</b>
<b>Earnings in foreign currency</b>		
Export of goods calculated on FOB basis	180.51	271.40
Exchange Difference	-	4.35
	<b>180.51</b>	<b>275.75</b>





**SWAL CORPORATION LIMITED**

Notes to Accounts for the year ended 31st March 2016

2.29 The Company operates only in one segment i.e. Agro activity, hence the requirement of segment reporting pursuant to Accounting Standard 17 issued by the Institute of Chartered Accountants of India are not applicable.

2.30 In the opinion of the board, the current assets, loans and advances (net of provisions) are approximately of the value stated, if realized in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of amounts reasonably necessary.

**2.31 Details of Loans given to other Body Corporates u/s 186 of the Companies' Act 2013**

Name of the Company	Amount of loan given	(Rs. In Lac)	
		Outstanding as on March 16	
Optima Farm Solution Limited (wholly owned subsidiary)	25.00	215.00	
Harsora Hobbs Pvt. Ltd.	-	166.00	
Gharpure Eng & Construction Pvt. Ltd.	1,110.00	760.00	
United Phosphorus (India) LLP	12.00	-	
<b>Total</b>	<b>1,147.00</b>	<b>1,141.00</b>	

2.32 Balances of certain sundry debtors, creditors, deposit and other debit and credit balances are subject to confirmation and reconciliation. Adjustments, if any, in this regard would be carried out as and when ascertained, which in view of the management would not be material.

2.33 The company has identified fertilizer division as its Cash Generating Unit (CGU) as required by Accounting standard-28 on "Impairment of assets" issued by the Institute of Chartered accountants of India. There are no primary indications that the recoverable amount of CGU is less than its carrying cost. Accordingly, no detailed exercise has been done to calculate the amount of Impairment loss.

2.34 Previous year figures have been regrouped or re-arranged wherever necessary.

2.35 The amounts in the financial statements have been rounded off to nearest Lac.

As per our attached report of even date

For T R Chadha & Co LLP  
Chartered Accountants  
Firm's Registration No.: 006711N/N500028

*Vikas Kumar*  
Vikas Kumar  
(Partner)  
Membership No. 75363  
Place : Mumbai  
Date : 20th April 2016



On behalf of the Board,

*K.R. Srivastava*  
K.R. Srivastava  
Managing Director

*R.D. Shroff*  
R.D. Shroff  
Director  
Place : Mumbai  
Date : 20th April 2016