



Sword & Shield Pharma Ltd.

REGD. OFFICE :
311, Rajkamal Plaza-B,
Nr. Samruddhi Bldg., Opp. High Court,
Income Tax, Ahmedabad-380 014.

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**9th Audit Report For the
A/C. Year 2003-2004**

Sword & Shield Pharma Ltd.

BOARD OF DIRECTORS : PRAVINBHAI M. PATEL - MANAGING DIRECTOR
JITENDRABHAI PATEL - DIRECTORS
JYOTSHNABEN PATEL - DIRECTORS

ADDRESS : KIRITBHAI SONI & ASSOCIATED
CHARTERED ACCOUNTANTS
301, RAJKAMAL PLAZA-B,
OPP. OLD HIGH COURT,
AHMEDABAD.

REGISTERED OFFICE : 311, RAJKAMAL PLAZA-B,
NR. SAMRUDDHI BUILDING,
OPP. HIGH COURT,
AHMEDABAD.

FACTORY : 3001/M, G.I.D.C.,
PHASE - III, AT-CHHATRAL,
DIST. : GANDHINAGAR.

BANKERS : THE UNITED CO-OPERATIVE BANK LTD.

Sword & Shield Pharma Ltd.

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Opp. High Court, Income Tax, Ahmedabad-380 014.

NOTICE

Notice is hereby given that the Nine Annual General Meeting of the Members of SWORD & SHIELD PHARMA LIMITED will be held on Tuesday, the 30th day of September, 2004, at 11-00 A.M. at Indulal Yagnik Trust Hall, Rajkamal Plaza-A, Income Tax Office, Ahmedabad-380 014. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Annual Accounts as on 31st March, 2004, and the Report of the Directors and Auditors thereon.
2. To consider and appoint a Director in place of Mr. Jitendra Patel who retires by rotation and being eligible offers himself for re-appointment.
3. To consider the appointment of Auditors, in place of retiring Auditors, to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

 Sd/-

**PRVAINBHAI PATEL
MANAGING DIRECTOR**

Place : Ahmedabad.

Date : 30th August 2004

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIED TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY AND THE PROXY NEED NOT TO BE A MEMBER.
2. Proxy in order to be effective should be duly stamped, completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The member/proxy should bring the attendance slip duly filled in for attending the meeting.
4. The Register of Members and Share Transfer Book of the Company will remain closed from 29th September-2004 to 30th September 2004 (Both the days)

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eighth annual Report of the Company for the year ended 31st March, 2004.

FINANCIAL RESULTS :

	Current Year Rs. in Lacks (2003-2004)	Previous Year Rs. in Lacks (2002-2003)
Income Received	276.43	45.77
Gross Profit before Depre. and Tax,	17.95	4.44
Depreciation for the year	18.53	21.49
Misc. Exps. Written off	2.80	3.80
Taxation for the year	Nil	NIL
Net Profit / Loss for the year	(2.66)	(20.86)
Balance carried forward to Balance Sheet	(2.66)	(20.86)

OPERATIONS :

During the financial 2003-2004, the performance of the Company was satisfactory. The income of the Company was more than double as compared to the previous year. However, due to increased Manufacturing expenses and major ups and downs in the market condition, the financial position of the Company was severely affected. The Company incurred a net loss of Rs. 2.66 lacs, which was however less in comparison of the last year. The Management is sincerely endeavoring to increase its income and control its overheads, so as to bring positive results. Thus, the directors are hopeful for the current year.

DIRECTORS :

Mr. Jitendra Patel retires by rotation in terms of Section 256 of The Companies Act. 1956 and being eligible offers himself for re-appointment.

FIXED DEPOSITS :

The Company has not accepted any deposit coming under the provisions of Section 58 A of the Companies Act, 1956 read with Companies (Acceptance of deposits) Rules, 1975.

DIVIDEND :

In view of the accumulated losses and due to the pre-operative and project expenses of Rs. 2.66 lacs and also due to huge business loss, your directors do not recommend any dividend for the year 2003-2004.

AUDITORS :

M/s. Kiritbhai Soni & Associated, Chartered Accounts the Auditors of the Company retire at the conclusion of this Annual General Meeting & being eligible offer themselves for re-appointment. Your Directors recommend their appointment.

DIRECTORS' RESPONSIBILITY STATEMENT :

In terms of Section 217 (2AA) of The Companies Act, 1956 in relation to financial statement for the year under reference, the Board of directors state that :

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
2. Reasonable and prudent accounting policies have been used in the preparation of the financial statements, that they have been consistency applied and that reasonable and prudent judgement and estimates have been made in respect to items not concluded by the year end, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2004, and of the profit for the year ended on that date.
3. Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provision of the Companies Act. 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The financial statements have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :

A Statement giving details of conservation of energy technology absorption, foreign exchange earnings and outgo, in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of the Report.

CORPORATE GOVERNANCE :

The Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the amended Listing Agreements of the Stock Exchanges with which the Company is listed are complied with. A separate report on Corporate Governance is annexed hereto as Annexure 'B' along with the Auditor's Certificate on its, compliance and forms part of this Report.

PERSONAL :

During the year employer-employee relations continued to be cordial. There was no employee drawing remuneration exceeding the limits laid down n/s. 217 of the Companies Act. 1956. Hence, particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956 are not required to be given.

ACKNOWLEDGEMENT :

Your Directors place on record their appreciation for the support and co-operation extended by the Bankers and Business Associates of the Company. The Directors are also thankful to all members the Company for the trust and confidence expressed by them in the management.

For & on behalf of the Board of Directors

Sd/-

**PRVAIN PATEL
MANAGING DIRECTOR**

Place : Ahmedabad.

Date : 30th August 2004

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 AND FORMING PART OF DIRECTOR'S REPORT.

A. CONSERVATION OF ENERGY :

(a) Energy Conservation Measures taken :

The maintenance all electrical installation have been carried out continuously. The preventing maintenance program implemented by the Company has helped the Company to save any possible loss of energy.

(b) Additional investments and proposal. If any, being implemented for reduction of Consumption of Energy :

NIL

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods :

The Company was able to prevent any possible waste of energy consumption.

(d) Total energy consumption and energy consumption per unit of production in prescribed Form 'A' as mentioned herein below :

Form 'A'

I. POWER AND FUEL CONSUMPTION :

1. Electricity :

a. Purchased (GEB) :

Units (KWS) : 11218

Total Amount (Rs.) 136937

Rate / Unit (Rs.) 12.206

b. Own Generation :

Unit (KWS in Lakhs) : -----NA-----

Total Amounts (Rs. In Lakhs) : -----NA-----

Rate / Units (Rs.) : -----NA-----

2. Coal / (Grade C & D) and Lignite :

Quantity (in '000 MT) : -----NA-----

Total Cost (Rs. In Lakhs) : -----NA-----

Average Rate (in Rs. Per MT) : -----NA-----