

# ANNUAL REPORT

2013 – 14



**Sword & Shield Pharma Ltd.**



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## NOTICE OF MEETING

NOTICE is hereby given that the Nineteenth (19<sup>th</sup>) Annual General Meeting of the Members of **Sword & Shield Pharma Limited** will be held at the Registered Office of the Company at 311, Rajkamal Plaza, B/H High Court, Navrangpura, Ahmedabad – 380 014, Gujarat, India at 11.00 A.M. on Tuesday, 30<sup>th</sup> day of September, 2014 to transact the following businesses:

### ORDINARY BUSINESSES:

1. To receive, consider and adopt Audited Balance Sheet as at March 31, 2014 and the Profit & Loss Account for the year ended on that date and the reports of the Directors' and the Auditors' thereon.
2. To appoint Mrs. Jyotsnaben Patel, (DIN: 01877469), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Statutory Auditor and to fix their remuneration.

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and the rules framed there under, M/s Janak Soni & Associates, Chartered Accountants (FRN: 121405W), Ahmedabad, the retiring Auditor be and is hereby reappointed as Auditor of the Company until the conclusion of the next Annual General Meeting and that they be paid a fee as decided by the Board of Directors for Auditing the Accounts of the Company plus out of Pocket Expenses incurred by them"

**Registered Office:**  
311, Rajkamal Plaza,  
B/H High Court, Navrangpura,  
Ahmedabad – 380 014.

**By Order of the Board**  
**For, Sword & Shield Pharma Limited**

**Pravinbhai Patel**  
**Managing Director**  
**DIN: 01877446**

**Place** : Ahmedabad  
**Date** : August 14, 2014

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

As per Section 105 of the Companies Act, 2013 and Rule 19, Sub-Rule (2) of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.

2. **The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.**

A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, September 22, 2014 to Tuesday, September 30, 2014 (both days inclusive) for annual closing.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
5. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.
6. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
7. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website [www.swordnshieldpharma.com](http://www.swordnshieldpharma.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Ahmedabad for inspection during normal business hours on working days.
8. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.

9. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 (Seven) days before the date of the Meeting so that the information required may be made available at the Meeting.

#### **10. GREEN INITIATIVE**

The Ministry of Corporate Affairs (“MCA”), Government of India, through its Circular No. 17/2011 dated 21 April, 2011 and Circular No. 18/2011 dated 29 April, 2011, have allowed companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Directors’ Report, Auditors’ Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to please promptly provide their details (name, folio no., e-mail id) to the Registrar and Transfer Agent of the company. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories.

The annual report and other communications/documents sent electronically would also be displayed on the Company’s website: [www.swordnshieldpharma.com](http://www.swordnshieldpharma.com) As a Member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of requisition from you.

We request you to support this initiative and opt for the electronic mode of communication by submitting your e-mail address to your DP or to the Company’s Registrar, in the interest of the environment.

11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (4.00 P.M. to 6.00 P.M.) on all working days except Saturday, Sunday and Public holiday up to and including the date of the Annual General Meeting of the Company.

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## ANNEXURE TO NOTICE

### DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

Name of the Director	Date of Birth (Number of Shares held in the Company)	Name of the other Public Companies in which he/she hold Directorship	Name of the Committees* of which he holds Membership (M) / Chairmanship (C)
Mrs. Jyotsnaben Patel	31/07/1957 (1,10,600 Equity Shares)	Nil	Nil

## **DIRECTORS' REPORT**

Dear Shareholders,

The Directors have the pleasure of presenting the Nineteenth Annual Report of your Company together with the audited accounts for the year ended 31st March, 2014.

### **1. FINANCIAL RESULTS:**

The summary of financial results for the year is given below:

(Amount in Rs.)

Particulars	2013-14	2012-13
<b>Sales &amp; Operating Income</b>	55,31,109.00	1,88,25,191.00
<b>Other Income</b>	2,15,765.00	2,26,496.00
Total Revenue	<b>57,46,874.00</b>	<b>1,90,51,687.00</b>
Operating Profits (PBDIT)	<b>(91,43,726.00)</b>	<b>(6,47,043.00)</b>
<b>Less: Depreciation</b>	16,91,253.00	19,96,385.00
<b>Interest</b>	-	-
Profit Before Tax & Exceptional Items	<b>(1,08,34,979.00)</b>	<b>(26,43,428.00)</b>
<b>Less: Exceptional Items</b>	(45,016.00)	0.00
<b>Tax Expenses</b>	(68,446.00)	(1,43,497.00)
Profit after Tax	<b>(1,08,11,549.00)</b>	<b>(24,99,931.00)</b>
<b>Add: Balance of Profit brought forward from previous year</b>	<b>(34,643,790.00)</b>	<b>(32,143,859.00)</b>
<b>Profit available for appropriation</b>	<b>(45,455,339.00)</b>	<b>(34,643,790.00)</b>
<b>Appropriation to:</b>	-	-
- <b>Transfer to General Reserve</b>		

### **2. DIVIDEND:**

Due to loss incurred during the year under review, your Directors do not declared any dividend.

### **3. REVIEW OF BUSINESS OPERATION:**

During the year under review, your company has registered the turnover of Rs. 55,31,109/- against the turnover of Rs. 1,88,25,191/- of previous year. Further the loss incurred for the current year is Rs.1,08,79,995 against the loss of Rs. 26,43,428 of previous year.

**4. CORPORATE GOVERNANCE REPORT:**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Report on Corporate Governance and a certificate from the Company Secretary in Practice confirming compliance of the same has been included in the Annual Report as a separate section.

**5. DIRECTORS:**

During the year under review, Mrs. Jyotsnaben P. Patel (DIN: 01877469) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have proposed for re-appointment.

Brief resumes of the director being reappointed together with other relevant details form part of the Notice of the ensuing Annual General Meeting.

The Board recommends their re-appointment.

**6. AUDITORS AND AUDITORS' REPORT:**

M/s. Janak Soni & Associates, Chartered Accountants, Ahmedabad Statutory Auditors of the Company, hold office from the conclusion of 19th Annual General Meeting till the conclusion of 20th Annual General Meeting.

The observations made by the Auditors' in their Auditors' Report and the Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**7. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 172(2AA) of the companies act, 1956, the Board of Directors of the company hereby state and confirm that:-

- a. In the preparation of the annual accounts, the applicable accounting Standards had been followed along with proper explanation relating to material Departures.
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review.
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The directors had prepared the account on going concern basis.

**8. PARTICULARS OF THE EMPLOYEES:**

The Company had not paid any remuneration attracting the provisions of section 172(2A) of the Companies Act, 1956 read along with the Companies (Particulars of Employees) Rules, 1975. Hence, no information is required to be appended to this report in this regard.



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**9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The details of conservation of energy, technology absorption etc. as required to be given under Section 217(1)(e) of the Companies Act 1956, are not applicable to our Company, as our Company has not carried out in the manufacturing activities.

The foreign exchange earnings on account of the operation of the Company during the year were Rs. Nil.

**10. ACKNOWLEDGEMENT:**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Banks, Government Authorities, Customers and Shareholders during the year. Your directors also wish to take on record their deep sense of appreciation for the committed services of the employees at all levels, which has made our Company successful in the business.

**For and on Behalf of the Board**  
**For, SWORD & SHIELD PHARMA LIMITED**

**Place** : Ahmedabad  
**Date** : August 14, 2014

**Pravinbhai Patel**  
**Managing Director**  
**DIN: 01877446**

## REPORT ON CORPORATE GOVERNANCE

### Company's Philosophy on Corporate Governance:

The Company believes that good Corporate Governance is essential in steering the growth and development of the Company. The Code prescribes practices which are directed towards transparency, disclosure, financial controls and accountability. It is the Company's endeavor to attain highest level of governance to enhance the stakeholder's value. Your Company endeavors to adopt best governance practices. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in Clause 49 of the Equity Listing Agreement, for the financial year 2013-14.

### 1. Board of Directors:

The board presently consists of four directors out of which one is Managing Director and two are Executive Directors and one is Non-Executive Director. Pursuant to Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has considered Mrs. Jyotsnaben Patel as designated as Woman Director of the Company.

### Numbers of Board Meetings held and the dates on which such meetings were held:

During the year under review, 4 of Board Meetings were held on May 30, 2013, August 14, 2013, November 14, 2013, and February 14, 2014.

Composition of Board and other related matters:

Name of the Director & DIN	Category*	Date of Appointment	No. of Directorship Held in all the companies in India	No. of committee* * of which Member (M)/ Chairman (C)**	Board meeting attended	Attendance at the last AGM	No. of Shares held & % holding (of the Company)
Mr. Pravinbhai Patel DIN : 01877446	MD	28/02/1995	01	Nil	4	Yes	2,29,400 (4.4577%)
Ms. Jyotsnaben Patel DIN : 01877469	ED	28/02/1995	01	Nil	4	Yes	1,10,600 (2.1473%)
Mr. Probi Patel DIN : 01954128	ED	01/10/2011	01	Nil	4	Yes	NIL