



Sword & Shield Pharma Ltd.

**SWORD & SHIELD PHARMA LIMITED**

**ANNUAL REPORT  
2018-19**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Pravinbhai Patel	- Chairman & Managing Director
Mrs. Jyotsnaben Patel	- Executive Woman Director
Mr. Jayeshkumar Patel	- Independent Director
Mr. Dilipkumar Patel	- Independent Director
Mr. Paresh Patel	- Independent Director
Mr. Kanjibhai Chaudhary	- Independent Director

## COMMITTEES OF THE BOARD

### AUDIT COMMITTEE

Mr. Kanjibhai Chaudhary	- Chairman
Mr. Jayeshkumar Patel	- Member
Mr. Pravinbhai Patel	- Member

### NOMINATION AND REMUNERATION COMMITTEE

Mr. Dilipkumar Patel	- Chairman
Mr. Jayeshkumar Patel	- Member
Mr. Kanjibhai Chaudhary	- Member

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Jayeshkumar Patel	- Chairman
Mr. Dilipkumar Patel	- Member
Mr. Kanjibhai Chaudhary	- Member

## AUDITORS

B. K. Patel & Co., Chartered Accountants  
(Firm Registration No. 112647W)

## SECRETARIAL AUDITOR

Ms. Payal Dhamecha

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Ankita Lunagariya

## REGISTERED OFFICE

55, World Business House,  
Near Parimal Garden, Ambawadi,  
Ahmedabad – 380 006

## INVESTOR QUERIES

swordnshield1995@gmail.com

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## Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants, Members who hold shares in physical form are requested to register their e-mail addresses with the company's R & T agent.

## BOARD'S REPORT

To,  
The Members of  
**Sword and Shield Pharma Limited**

Directors have pleasure in presenting their 24<sup>th</sup> Annual Report on the business and operations of the Company along with the Audited Financial Statements of the Company for the financial year ended on March 31, 2019.

### 1. FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended on March 31, 2019 is summarized below:

(₹ in Lakhs)		
<b>FINANCIAL RESULTS AND APPROPRIATIONS</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Revenue from Operations	1.93	2.89
Other Income	0.45	0.06
<b>Total Revenue</b>	<b>2.38</b>	<b>2.95</b>
<b>Profit before Exceptional items and Tax</b>	<b>-8.41</b>	<b>-15.67</b>
Less: Exceptional items	0.00	0.40
<b>Profit/(Loss) Before Tax</b>	<b>-8.41</b>	<b>-16.07</b>
Less: Taxation	0.00	0.00
<b>Profit/(Loss) for the period</b>	<b>-8.41</b>	<b>-16.07</b>

The Company discloses financial results on a quarterly basis of which results are subjected to limited review and publishes audited financial results on an annual basis. The Financial Statements as stated above are also available on the website of the Company at [www.swordnshieldpharma.com](http://www.swordnshieldpharma.com).

### 2. FINANCIAL PERFORMANCE

The year 2018-19 was another year of continuous efforts to improve operating performance and new initiatives for Sword and Shield. The Revenue from Operations were recorded as INR 1.93 Lacs although comparatively less than last year but the Company has reduced its losses from INR 16.06 Lakh of last year to INR 8.41 Lakh for this year. The Company is no more engaged in the activity of Manufacturing of Pharmaceutical and other allied Pharmaceutical Products as it was closed in the year 2015-16 due to slump sale of its Manufacturing Unit i.e. Factory Land and Building.

Several efforts were undertaken to improve the marketing of the Pharmaceutical and other allied products of the Company on Commission basis. The Management is taking every possible step to stream line its operations and to put the Company on growth.

### 3. NATURE OF BUSINESS

Company continues to operate only in one segment i.e. Pharmaceuticals. There is no change in the nature of business of the Company during the Financial Year ended March 31, 2019.

### 4. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report.

## **5. DIVIDEND**

In view of the losses for the year ended March 31, 2019 and accumulated losses, the Board of Directors deferred the proposal of declaration of dividends for this year.

## **6. SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

## **7. MANAGEMENT DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

## **8. CORPORATE GOVERNANCE**

Pursuant to Regulation 15 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Corporate Governance Report is not mandatory, for time being, in respect of Companies having paid up equity share capital not exceeding Rs. 10 Crore and net worth not exceeding Rs. 25 Crore as on March 31, 2019 and hence no separate report on Corporate Governance is provided in this report, although certain information is provided under relevant heading.

## **9. EXTRACTS OF ANNUAL RETURN**

As required under Section 134(3)(a) and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the Extract of the Annual Return as at March 31, 2019 is put up on the Company's website and can be accessed at <http://www.swordnshieldpharma.com/pdf/Form-MGT-9-2018-19-SSPL.pdf>

## **10. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

Company does not have any subsidiary, joint venture or associate company.

## **11. SCHEME OF AMALGAMATION AND ARRANGEMENT**

Company had received Observation letter on May 5, 2018 from BSE Limited regarding the proposed Scheme of Arrangement in the nature of Amalgamation between Praveg Communications Limited ("the Transferor Company") and Sword and Shield Pharma Limited ("the Transferee Company") and their shareholders and creditors under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013.

Further Company had received Creditors and shareholders' approval at Tribunal Convened Meeting held on April 9, 2019 and April 10, 2019 respectively, for the approval of proposed Scheme of Arrangement in the nature of Amalgamation between Praveg Communications Limited ("the Transferor Company") and Sword and Shield Pharma Limited ("the Transferee Company") and their shareholders and creditors under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013.

## 12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The strength of the Board on signing of the report comprises of Six Directors. The Board of Directors comprises of an appropriate mix of Executive and Non-Executive Directors. There are four Non-Executive Directors and two Executive Director. The Board of Directors of the Company comprises of Mr. Pravinbhai Patel, Chairman and Managing Director, Mrs. Jyotsnaben Patel, as an Executive Woman Director and Mr. Jayeshkumar Patel, Mr. Dilipkumar Patel, Mr. Paresh Patel and Mr. Kanjibhai Chaudhary as the Non-Executive Independent Directors of the Company.

The composition of Board complies with the requirements of the Companies Act, 2013 ("Act"). Further, in pursuance of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is exempted from requirement of having composition of Board as per Regulation 17 of Listing Regulations.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

None of the Director of the Company is serving as a Whole-Time Director or Managing Director in any Listed Company and is holding position of Independent Director in more than 3 Listed Company and none of the Director of the Company is holding position as Director in more than eight listed entities and none of the Director is serving as Independent Director in more than 7 Listed Company. None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 164(2) of the Companies Act, 2013.

### Retirement by rotation

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Jyotsnaben Pravinbhai Patel (DIN: 01877469), Executive Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment, subject to the approval of the Members of the Company. The Board recommends the re-appointment of Mrs. Jyotsnaben Pravinbhai Patel for your approval. A brief Resume is attached with the Notice of Annual General Meeting.

### Details of the Directors seeking appointment / re-appointment in forthcoming Annual General Meeting

The information as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to appointment / reappointment of Directors of the Company are given in the Annexure of the Notice of the Annual General Meeting.

### Board Independence

In terms of Section 149 of the Companies Act, 2013 and Rules made thereunder, the following Non-Executive Directors are Independent:

- a) Mr. Jayeshkumar Patel
- b) Mr. Dilipkumar Patel
- c) Mr. Paresh Patel
- d) Mr. Kanjibhai Chaudhary

## Declaration by Independent Directors

The Company has received declarations from all the independent directors of the Company that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Board and Committee Meetings and Procedures

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long-term interests are being served. The meetings of Board of Directors were held at the Registered Office of the Company.

The functions performed by the Board include review of Minutes of Audit Committee Meetings and other Committees of the Board, adoption of financial results of the Company and review of Company's Operation & Performance. The Board meets at least once a quarter to review the quarterly performance and financial results of the Company. The maximum interval between any two meetings did not exceed 120 days. The Board notes compliance reports of all laws applicable to the Company, every quarter.

The Chairman of the Board and Company Secretary, in consultation with other concerned members of the senior management, finalise the agenda for Board / Committee meetings.

The agenda and notes on agenda are circulated to Directors in advance, and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda.

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Committee members for their comments as prescribed under Secretarial Standard-1. The Minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

The guidelines for Board / Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof.

Important decisions taken at Board / Committee meetings are communicated promptly to the concerned departments / divisions. Action taken report on decisions / minutes of the previous meeting(s) is placed at the succeeding meeting of the Board / Committees for noting.

## Number of Board Meetings

Seven Board meetings were held during the financial year 2018-19 i.e. on May 30, 2018, June 13, 2018, August 13, 2018, October 31, 2018, February 13, 2019, March 6, 2019 and March 20, 2019. The Attendance details of Board meetings are given below:

Sr. No.	Name of Director	No. of Meetings held	No. of Meetings attended
1.	Mr. Pravinbhai Patel	7	6
2.	Mrs. Jyotsnaben patel	7	6
3.	Mr. Jayeshkumar Patel	7	1
4.	Mr. Dilipkumar Patel	7	1

5.	Mr. paresh patel	7	1
6.	Mr. Kanjibhai Chaudhary	7	1

### Meeting of Independent Directors

The Company's independent directors meet at least once in a financial year without the presence of executive directors and management personnel to review the performance of Non-Independent Directors and Board as whole. 1 (one) such meeting was held on March 20, 2019.

### Key Managerial Personnel

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the Rules framed thereunder.

Mr. Pravinbhai Patel - Managing Director  
 Ms. Ankita Lunagariya - Company Secretary and Compliance Officer  
 (Appointed w.e.f. March 20, 2019)

Ms. Pooja Kadam, Company Secretary and Compliance Officer of the Company resigned from the office w.e.f. March 20, 2019 and the Board conveyed its sincere appreciation for the valuable contribution made by Ms. Pooja Kadam, to the Company as the Company Secretary and Compliance Officer of the Company.

### Policy on Director's Appointment and Remuneration

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. The Board consists of six members, four of whom are independent directors. The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report.

### Evaluation of Performance

The Company has devised a Board Evaluation Framework for performance evaluation of Independent Directors, Board, Non-Independent Directors and Chairman of the Company. Pursuant to this framework, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors.

The Board acknowledged certain key improvement areas emerging through this exercise and action plans to address these are in progress. The performance evaluation of the Non-Independent Directors including Chairman was carried out by the Independent Directors at a separate meeting of the Independent Directors on March 20, 2019. The Nomination and Remuneration Committee has further carried out evaluation of all Directors including Independent Directors. The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee.

## 13. COMMITTEES OF THE BOARD

The Company's guidelines relating to Board meetings are applicable to Committee meetings. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it

considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the respective committee members and placed before Board meetings for noting.

In conformity to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Companies Act, 2013, the composition of these committees of Board are constituted and reconstituted.

During the period under Reporting, the composition of these Committees was as under:

Name of members	Audit Committee	Stakeholders' Relationship Committee	Nomination and Remuneration Committee
Pravinbhai Patel - Executive Director	Yes	No	No
Jayeshkumar Patel - Independent Director	Yes	Yes	Yes
Dilipkumar Patel - Independent Director	No	Yes	Yes
Kanjibhai Chaudhary - Independent Director	Yes	Yes	Yes

The Company has devised the Policy on Familiarization Programme for Independent Director and the same is available on the website of the Company [www.swordnshieldpharma.com](http://www.swordnshieldpharma.com).

#### **a) Audit Committee of Board**

In Conformity with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013, as applicable, the strength of the Board as also of the Audit Committee is adequate. All the recommendations of the Audit Committee were accepted by the Board during the year.

#### **Broad Terms of Reference of the Audit Committee**

The Audit Committee of the Company comprises of Mr. Kanjibhai Chaudhary (Chairman), Mr. Jayeshkumar Patel and Mr. Pravinbhai Patel as other members of the Committee. Company Secretary of the Company acts as the Secretary to the Audit Committee.

The terms of reference of Audit Committee of the Company are in accordance with Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 inter-alia, include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees and confirm their independence.
3. Approval of payment to statutory auditors for any other services rendered, if authorised by the Board.
4. Review with the management, the quarterly financial statements before submission to the Board for approval and secure the Certificate from Managing Director and CFO in terms of the requirements under the Listing Regulations.
5. Evaluate internal financial controls and risk management systems.



6. Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Any other terms of reference as may be included from time to time in the Listing Regulations.

During the Year 2018-19, the Audit Committee met four (4) times on May 30, 2018, August 13, 2018, October 31, 2018 and February 13, 2019. Attendance of the Members in the Audit Committee Meetings are following:

Name of members	Designation	No. of meeting held	No. of meeting attended
Kanjibhai Chaudhary	Chairman	4	4
Jayeshkumar Patel	Member	4	4
Pravinbhai Patel	Member	4	0

#### **b) Nomination and Remuneration Committee of Board**

Mr. Dilipkumar Patel chairs the Nomination and Remuneration Committee of Board of the Company. The other members are Mr. Jayeshkumar Patel and Mr. Kanjibhai Chaudhary. All members of the Nomination and Remuneration Committee are Independent Director; hence the necessary compliance is ensured. Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee.

#### **Broad Terms of Reference of the Nomination & Remuneration Committee**

The terms of reference of Nomination & Remuneration Committee of the Company are in accordance with Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Nomination & Remuneration Committee, inter-alia:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- (5) whether to extend or continue the term of appointment of the independent director, based on the report of performance evaluation of independent directors.

During the Year 2018-19, the Nomination and Remuneration Committee met three (3) times on June 13, 2018, August 13, 2018 and March 20, 2019. Attendance of the Members in the Nomination and Remuneration Committee Meetings are as following:

Name of members	Designation	No. of meeting held	No. of meeting attended
Dilipkumar Patel	Chairman	3	3
Jayeshkumar Patel	Member	3	3
Kanjibhai Chaudhary	Member	3	3

## Performance Evaluation Criteria for Directors

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provide certain parameters like attendance, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines.

## Sitting Fees

No Sitting Fees was paid to Non-Executive Directors for attending the Board Meetings.

## Remuneration Policy

The Company has adopted and implemented the Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 which is available on the website of the Company accessed at [www.swordnshieldpharma.com](http://www.swordnshieldpharma.com).

As a gesture of their commitment to the company Managing Director has forgone their remuneration till such time the performance of the Company improves and is able to pay remuneration to the Executive Directors.

## c) Stakeholders' Relationship Committee of Board

Mr. Jayeshkumar Patel chairs the Stakeholders' Relationship Committee of Board (SRC). The other members are Mr. Dilipkumar Patel and Mr. Kanjibhai Chaudhary. Company Secretary of the Company acts as the Secretary to the Stakeholders' Relationship Committee.

The Committee considers and resolves the grievances of the security holders of the Company including complaints received from shareholders / investors with respect to transfer of shares, non-receipt of declared dividends, non-receipt of Annual Reports, etc.

During the Year 2018-19, the Stakeholders' Relationship Committee met four (4) times on May 30, 2018, August 13, 2018, October 31, 2018 and February 13, 2019. Attendance of the Members in the Stakeholders' Relationship Committee Meetings are as following:

Name of members	Designation	No. of meeting held	No. of meeting attended
Jayeshkumar Patel	Chairman	4	4
Dilipkumar Patel	Member	4	4
Kanjibhai Chaudhary	Member	4	4

Details of Investors/Shareholders Complaint received during the financial year 2018-19:

Complaints received	Complaints disposed	Complaints Pending
0	0	0

No instruments of transfer were pending as on March 31, 2019.

## 14. DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134(3)(c) read with sub-section (5) of the Companies Act, 2013, to the best of their knowledge and ability state that: