



SWORD & SHIELD PHARMA LIMITED

**Annual Report
2016-2017**

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' GRIEVANCES AND RELATIONSHIP COMMITTEE

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

AUDITORS

B. K. Patel & Co.
Chartered Accountants

SECRETARIAL AUDITOR

Mr. Anand Lavingia

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Darshil Hiranandani

REGISTERED OFFICE

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

INVESTOR QUERIES

swordnshield1995@gmail.com

| CONTENTS | PAGE |
|---|------|
| Notice | 1 |
| Director's Report | 9 |
| Management Discussion and Analysis | 33 |
| Auditors' Report | 37 |
| Balance Sheet | 48 |
| Profit & Loss Account | 49 |
| Cash Flow Statement | 50 |
| Accounting Policies and Notes to accounts | 51 |
| Attendance Slip | 60 |
| Proxy Form | 61 |

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.

NOTICE OF THE TWENTY SECOND ANNUAL GENERAL MEETING

Notice of the Twenty Second Annual General Meeting



SWORD AND SHIELD PHARMA LIMITED

CIN: L24231GJ1995PLC024809

**Registered Office: 55, World Business House,
Near Parimal Garden, Ambawadi, Ahmedabad – 380 006**

Website: www.swordnshieldpharma.com | e-Mail: swordnshield1995@gmail.com

Contact: +91 98250 79759

Notice

NOTICE is hereby given that the Twenty Second (22nd) Annual General Meeting (AGM) of the Members of Sword & Shield Pharma Limited will be held on Friday, September 29, 2017 at 09.00 A. M. at the Registered Office of the Company situated at 55, World Business House, Near Parimal Garden, Ambawadi, Ahmedabad – 380 006, to transact the following businesses:

Ordinary Business:

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2017 together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pravinbhai Patel (DIN: 01877446), who retires by rotation and being eligible, offers himself for reappointment.
3. **To ratify the appointment of Auditors**

To ratify the appointment of M/s. B. K. Patel & Co., Chartered Accountants (Firm Registration No. 112647W) as the Auditors of the Company to hold office from the conclusion of Twenty Second Annual General Meeting until the conclusion of the Twenty Third Annual General Meeting and to authorize the Board of Directors or Committee thereof to fix their remuneration, in consultation with the Auditors.

To consider and, if thought fit, to pass with or without modification(s), the following as an “ORDINARY RESOLUTION”:

“RESOLVED THAT, pursuant to the provisions of Section 139, 142 and such other applicable provisions of the Companies Act, 2013 and relevant rules thereof (including statutory modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force), pursuant to the recommendation of the Audit Committee and that of the Board of Directors and pursuant to the approval of the Members at the Twentieth Annual General Meeting held on September 30, 2015, the consent of the Members of the Company be and is hereby accorded to ratify the appointment of M/s. B. K. Patel & Co., Chartered Accountants (Firm Registration No. 112647W), as Auditors of the Company, to hold office from the conclusion of Twenty Second Annual General Meeting until the conclusion of the



NOTICE OF THE TWENTY SECOND ANNUAL GENERAL MEETING

Twenty Third Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors or Committee of the Board in consultation with the Auditors of the Company”.

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

For and on behalf of the Board
For, **SWORD AND SHIELD PHARMA LIMITED**

DARSHIL HIRANANDANI
COMPANY SECRETARY AND COMPLIANCE
OFFICER
(ACS – 47986)

Place : Ahmedabad
Date : August 14, 2017

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER. FORM OF PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE ANNUAL GENERAL MEETING. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION / LETTER OF AUTHORITY, AS MAY BE APPLICABLE.
2. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has extended e-voting facility, for its Members to enable them to cast their votes electronically on the proposed resolutions in this notice, in addition to the voting at the Annual General Meeting. Instructions for e-voting are as below:

Instructions for e-voting

- A. The e-voting commences on Tuesday, September 26, 2017 at 10:00 A. M. IST and ends on Thursday, September 28, 2017 at 5:00 P. M. IST. During this period, the Shareholders holding shares in dematerialized or physical form, as on the cut-off date i.e., Friday, September 22, 2017, may cast their vote electronically.
- B. In case of Members receiving e-mail from National Securities Depository Ltd. (‘NSDL’):
 - i. Open the e-mail and also open the PDF file viz. “SSPL e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.



NOTICE OF THE TWENTY SECOND ANNUAL GENERAL MEETING

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file “SSPL e-voting.pdf”.

- ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- iii. Click on Shareholder-Login.
- iv. If you are already registered with NSDL for e-voting then you can use your existing User ID and password for casting your vote.

NOTE: Shareholders who forgot the User Details / Password can use “Forgot User Details / Password?” or “Physical User Reset Password?” option available on <https://www.evoting.nsdl.com>.

For Shareholders holding shares in demat mode, User ID is the combination of (DP ID+Client ID).

For Shareholders holding shares in physical mode, User ID is the combination of (Even No+Folio No).

- v. If you are logging in for the first time, please enter the User ID and password provided in the attached PDF file as initial password.
- vi. Password change menu appears, Change the password with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Please note that login to e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through ‘Forgot Password’ option available on the site to reset the same.
- vii. Once the e-voting home page opens, click on e-voting > Active Voting Cycles.
- viii. Select Electronic Voting Event Number (EVEN) of Sword & Shield Pharma Limited, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.
- ix. Now you are ready for “e-voting” as “Cast Vote” page opens.
- x. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- xi. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: swordnshield1995@gmail.com with a copy marked to evoting@nsdl.co.in.
- xii. Upon confirmation, the message “Vote cast successfully” will be displayed.



NOTICE OF THE TWENTY SECOND ANNUAL GENERAL MEETING

- xiii. Once you have voted on the resolution(s), you will not be allowed to modify your vote.
- C. In case of Members receiving notice by Post and desiring to cast e-vote:
- i. Initial password, along with User ID and Electronic Voting Event Number (EVEN) is provided in the table given in the Notice hereto.
 - ii. Please follow all steps from Sl. No. ii to Sl. No. xii given above to cast your vote.
- D. You can also update your mobile / phone number and e-mail id in the user profile details of the folio.
- E. In case of any queries you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the “downloads” section of <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in or call on: 1800 222 990.
3. The voting rights of the Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cutoff date, i.e. Friday, September 22, 2017.
 4. Any person who is not a member on the cut-off date should treat this notice for information purposes only.
 5. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
 6. Any person, who acquires shares and becomes a Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, September 22, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the RTA.
 7. The facility for voting through Ballot Paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through Ballot paper.
 8. Mr. Anand Lavingia, Practicing Company Secretary (Membership No. ACS 26458, COP 11410) has been appointed by the Board of Directors as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 9. The scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and submit not later than two days of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or any person authorized in writing, who shall countersign the same. The Chairman / Authorised person shall declare the results of the voting forthwith, which shall not be later than 7 PM on Monday, October 1, 2017.



NOTICE OF THE TWENTY SECOND ANNUAL GENERAL MEETING

10. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM, but shall not be entitled to cast their vote again.
11. The result declared, along with the Scrutinizer's Report shall be placed on the Company's website www.swordnshieldpharma.com investors and on the website of NSDL after the results are declared by the Chairman / Authorised person and also be communicated to the Stock Exchanges where the Company is listed.
12. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 23, 2017 to Saturday, September 30, 2017 (both the days inclusive).
13. Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief resume/details of Mr. Pravinbhai Patel (DIN: 01877446), who retires by rotation and being eligible, offers himself for reappointment.
14. Member(s) must quote their Folio Number / DP ID & Client ID and contact details such as email address, contact no. etc. in all correspondences with the Company / RTA.
15. SEBI has made it mandatory to quote Permanent Account Number (PAN) for transfer / transmission of shares in physical form and hence, the transferee(s)/legal heir(s) is required to furnish a copy of his / her PAN to the Company / RTA.
16. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the Member(s) holding shares in physical form may nominate, in the prescribed manner, any person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. A nomination form for this purpose is available with the Company or its RTA. Member(s) holding shares in demat form may contact their respective DPs for availing this facility.
17. Member(s) holding shares in physical form is / are requested to notify immediately any change in their respective addresses and bank account details. Please note that request for change of address, if found incomplete in any respect shall be rejected. In case of shares held in electronic mode, the request for change of address should be made to the respective DPs with whom the Member(s) is / are holding the demat account.
18. Pursuant to Section 101 of Companies Act, 2013, read with the relevant rules, the Company is allowed to serve documents like notices, annual reports, etc., in electronic form to its Members. Accordingly, the said documents of the Company for the Financial Year ended March 31, 2017 will be sent in electronic form to those Members who have registered their e-mail addresses with their DPs / RTA and made available to the Company. However, in case a Member wishes to receive a physical copy of the said documents, the Member is requested to send an e-mail duly quoting his DP ID and Client ID or the Folio number, as the case may be, to swordnshield1995@gmail.com / mcsahmd@gmail.com. Accordingly, the Company shall update its database by incorporating / updating the designated e-mail address in its records. Please note that the said documents will also be uploaded on the website of the Company at www.swordnshieldpharma.com and made available for inspection at the Registered Office of the Company during business hours of the Company. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.



NOTICE OF THE TWENTY SECOND ANNUAL GENERAL MEETING

19. Members holding shares in demat form are requested to notify any change in their addresses, e-mails and or bank account mandates to their respective DPs only and not to the Company / RTA for effecting such changes. The Company uses addresses, e-mails and bank account mandates furnished by the Depositories for updating its records of the Shareholders holding shares in electronic / demat form.
20. Guidelines for attending the Twenty Second (22nd) Annual General Meeting (AGM) of the Company:
- i. Members / proxies are requested to affix their signature at the space provided in the attendance slip and handover the same at the entrance of the venue of the Twenty Second (22nd) Annual General Meeting (AGM).
 - ii. Corporate Member(s) intending to send their authorized representatives to attend the AGM are requested to send a certified copy of Board Resolution authorizing such representative to attend and vote on its behalf, at the Meeting.
 - iii. Member(s) are requested to bring the copy of the Annual Report to the AGM.
 - iv. The identity / signature of the Members holding shares in demat form are liable for verification with the specimen signatures furnished by NSDL / CDSL. Such Members are advised to bring the DP ID, Client ID and the relevant identity card to the AGM for easier identification and recording of attendance at this AGM.
21. All documents as mentioned in the resolutions and or Explanatory Statement are available for inspection by the Members at the Registered Office of the Company during business hours on any working day and will also be made available at the venue of the Twenty Second AGM.
22. Members seeking any information with regard to the accounts are required to write to the Company at swordnshield1995@gmail.com at an early date, so as to enable the management to keep the information ready at the Twenty Second AGM.

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

Place : Ahmedabad
Date : August 14, 2017

For and on behalf of the Board
For, **SWORD AND SHIELD PHARMA LIMITED**
DARSHIL HIRANANDANI
COMPANY SECRETARY AND COMPLIANCE
OFFICER
(ACS – 47986)



NOTICE OF THE TWENTY SECOND ANNUAL GENERAL MEETING

Information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards.

Mr. Pravinbhai Patel – Managing Director (Item Number 2)

- **Brief Resume and Expertise of Mr. Pravinbhai Patel:**

Mr. Pravinbhai Patel, a first generation entrepreneur aged 60 years is the Managing Director of the Company since February 28, 1995 and heads the Marketing Division of the Company and is having a vast experience in the field of Management, Accounting, Marketing of Pharmaceutical formulations and drugs of around 30 years and he is a Graduate of Commerce.

- **Disclosure of relationship between Directors Inter se, Manager and KMP:**

He is the husband of Mrs. Jyotsaben Patel the Executive Woman Director of the Company.

- **Date of appointment on the Board:**

May 30, 2015

- **Name/s of Listed Companies (other than Sword & Shield Pharma Limited) in which the person holds the Directorship and the Membership of Committees of the Board:**

Nil

- **Details of Shareholding:**

Mr. Pravinbhai Patel holds 229400 Equity Shares of INR 10/- each, fully paid up amounting to 4.45% the of shareholding of the Company as on March 31, 2017.

- **Number of Board Meetings attended during the year (April 01, 2016 to March 31, 2017):**

Total Number of Board meetings held : 6

Total number of Board meetings attended : 6

- **Committee Details in Sword & Shield Pharma Limited (only Audit Committee):**

As a Chairman – None

As a Member – 1

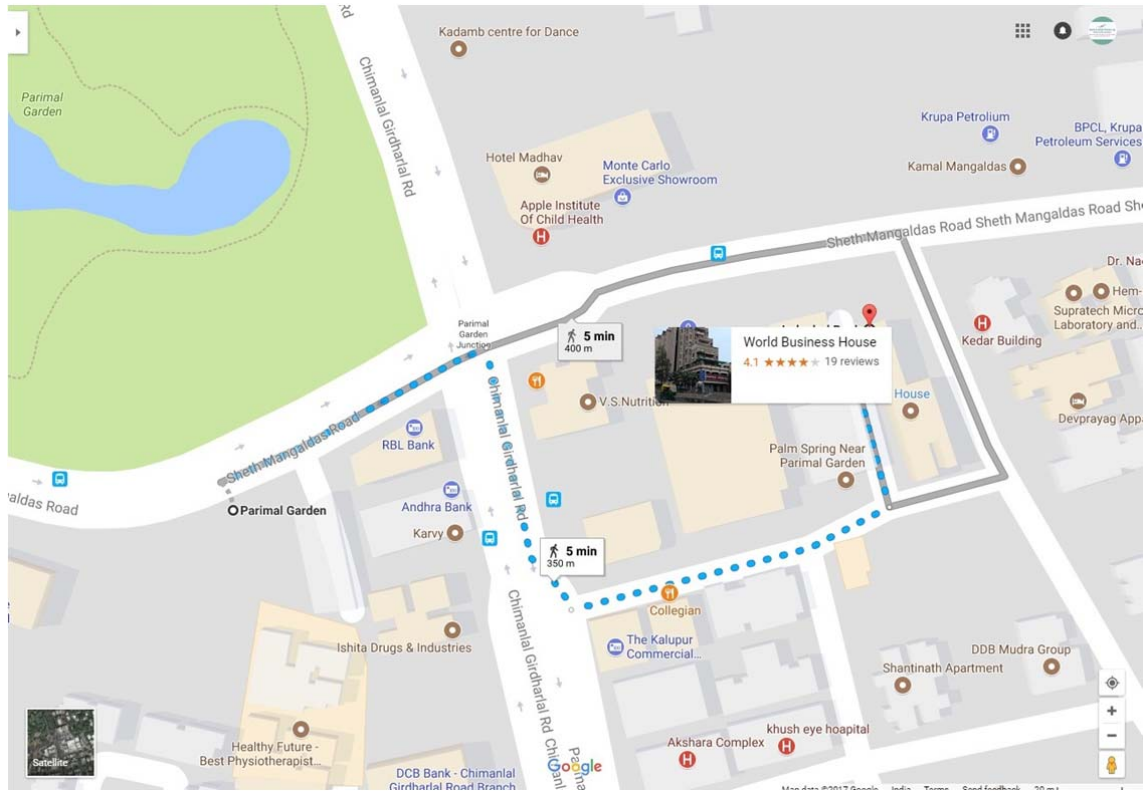
- **Last drawn Remuneration:**

INR 20 Lakh per annum



NOTICE OF THE TWENTY SECOND ANNUAL GENERAL MEETING

Route Map for the venue of the meeting



DIRECTORS' REPORT

Board's Report

Dear Shareholders,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company" or "SSPL"), along with the audited financial statements for the financial year ended March 31, 2017.

1. FINANCIAL AND OPERATIONAL HIGHLIGHTS

(Amount in INR)

| <u>Particulars</u> | <u>2017</u> | <u>2016</u> |
|---|----------------|----------------|
| Revenue from Operations | 8,85,768.00 | 380.90 |
| Other Income | 17,894.00 | 0.00 |
| Profit / (Loss) before Depreciation, Finance Costs, Exceptional items and Taxation | (24,46,008.95) | (12,60,394.94) |
| Less: Depreciation and Amortisation expense | 0.00 | 13,52,053.00 |
| Profit / (Loss) before Finance Costs, Exceptional items and Taxation | (24,46,008.95) | (26,12,447.94) |
| Less: Finance Costs | 661.00 | 65,970.94 |
| Profit / (Loss) before Exceptional items and Taxation | (24,46,669.95) | (26,78,418.88) |
| Add: Exceptional items | 0.00 | 0.00 |
| Profit before Taxation | (24,53,122.95) | (29,78,429.88) |
| Less: Tax Expense | 0.00 | 0.00 |
| Discontinuing Operations | | |
| Profit / (Loss) from discontinuing operations (before tax) | 0.00 | 52,62,783.00 |
| Profit / (Loss) for the year | (24,53,122.95) | 22,84,353.12 |
| Earnings Per Share (EPS) | | |
| Basic | (0.48) | 0.44 |
| Diluted | (0.48) | 0.44 |

2. STATE OF COMPANY'S AFFAIRS

The Company was engaged in the business of Manufacturing and Trading of Pharmaceutical and other allied Pharmaceutical Products which was closed down in the year 2015-16 by selling of the its Manufacturing Unit i.e. Factory Land and Building through Slump Sale and therefore the Company does not possess any Fixed Assets as on date. Currently, the Company is working for the marketing of the Pharmaceutical and other allied Pharmaceutical Products on Commission basis.

During the Fiscal Year 2016-17 the Company had earned an Income of INR 8.85 Lakh which increased by 232546.07% as compared to the Income of Previous Year of INR 380.90. The Company has incurred losses during the year of around INR 24.53 Lakh majorly due to payment of Re-Instatement fees to BSE Ltd. for Revocation of Suspension of the Securities of the Company as compared to the Profits during the Previous Year of INR 22.84 Lakh.



DIRECTORS' REPORT

The Management is taking every possible step to stream line its operations and to put the Company on growth.

The Company had made an application to the BSE Ltd. for the Revocation of Suspension for trading of its Securities (Equity Shares) from the Exchange to which the Exchange vide Notice No. 20170104-19 dated January 4, 2017 had approved the application of Revocation of Suspension in trading of Securities of the Company w.e.f. January 12, 2017.

3. DIVIDEND

Based on Company's performance, the Directors are unable to recommend dividend due to heavy losses occurred to the Company.

4. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

- i. After the Fiscal Year 2016-17, i.e. during the Fiscal Year 2017-18 the Company has in their meeting of Board of Directors dated Wednesday, April 27, 2017 had proposed for the Amalgamation of the Company with Praveg Communications Limited (CIN: U74300GJ2005PLC045833), a public unlisted Company incorporated under the provisions of the Companies Act, 1956 having its Registered Office in the State of Gujarat (Ahmedabad), a "**HIGH**" Credit Worthiness Company rated by CRISIL (formerly Credit Rating Information Services of India Limited) which is a global analytical company providing ratings, research, and risk and policy advisory services and subsequently the Company called a meeting of Board of Directors on Wednesday, May 3, 2017 to approve the Scheme of Arrangement in the nature of Amalgamation of both the Companies and other Scheme related documents and thereafter the Company has made an application to the BSE Ltd. for the Amalgamation of both the Companies for their No Objection / Approval and the same is awaited.
- ii. There were 977366 Equity Shares of INR 10/- each partly paid up in the Company. The Company in its Board Meeting held on Thursday, July 6, 2017, approved the draft notice for making calls on shareholders in respect of money unpaid on their shares and the Shareholders who were holding Partly Paid Up Shares paid their unpaid money with respect to their Shareholding and the said shares were converted into Fully Paid Up Shares.

The Existing Share Capital of the Company stands as below:

| <u>Particulars</u> | <u>After the Call was made</u> | <u>As at March 31, 2017</u> |
|--|--------------------------------|-----------------------------|
| Authorised Share Capital 6000000 Equity Shares of INR 10/- each | 6,00,00,000.00 | 6,00,00,000.00 |
| Issued Share Capital 5150600 Equity Shares of INR 10/- each | 5,15,06,000.00 | 5,15,06,000.00 |
| Subscribed and fully Paid Up Capital | 5,15,06,000.00 | 4,17,32,340.00 |



DIRECTORS' REPORT

| | | |
|--|------------------------------|------------------------------|
| 5150600 Equity Shares of INR 10/- each (4173234 Equity Shares of INR 10/- each fully paid up) | | |
| Subscribed and Partly Paid Up Capital (977366 Equity Shares of Rs.10/- each partly paid up) | - | 48,86,830.00 |
| <u>Total</u> | <u>5,15,06,000.00</u> | <u>4,66,19,170.00</u> |

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the Financial Year ended March 31, 2017.

6. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL INCLUDING THOSE WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

a. Directors

In terms of the Articles of Association of the Company, Mr. Pravinbhai Patel (DIN: 01877446), Managing Director of the Company, retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. Your Directors recommend the proposed reappointment.

The details of the Director being recommended for re-appointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company.

Further, the Company has received necessary declaration from the Independent Directors of the Company under Section 149(6) of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that they meet the criteria of independence as provided therein.

b. Key Managerial Personnel

- Ms. Prachi Shah, Company Secretary and Compliance Officer of the Company resigned from the office w.e.f. October 14, 2016 and the Board has placed on record its sincere and deep appreciation of the invaluable contribution made by Ms. Prachi Shah to the Company as the Company Secretary and Compliance Officer of the Company.
- The Board, upon the recommendations of the Nomination and Remuneration Committee at its Meeting held on Monday, November 14, 20146 had appointed Mr. Darshil Hiranandani, a Qualified Company Secretary as the Company Secretary and Compliance Officer of the Company w.e.f. November 14, 2016.



DIRECTORS' REPORT

- The following have been designated as the Key Managerial Personnel of the Company pursuant to sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) Mr. Pravinbhai Patel – Managing Director
 b) Mr. Darshil Hiranandani – Company Secretary and Compliance Officer

7. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The details as required under section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), 2014 is not applicable as there is no such employee in the Company employed throughout the financial year with salary above INR 102 Lakh Per Annum or employed part of the financial year with average salary above INR 8.5 Lakh Per Month.

Further, there is no employee employed throughout the Financial year or part thereof, was in receipt of remuneration of in aggregate is in excess of that drawn by the Managing Director or Whole time Director or Manager and holds by himself or along with his spouse and dependent children, not less than Two Percent (2%) of the Equity Shares of the Company.

8. INFORMATION OF BOARD OF DIRECTORS, AND ITS MEETINGS

a. Composition and Category of Directors on date of this report is:

| <u>Name of the Director / Key Managerial Personnel</u> | <u>No. of other Directorships*</u> | <u>No. of Committee Membership / Chairmanship in other Companies</u> | <u>No. of Board Meetings attended during 2016-17</u> | <u>Attendance at the AGM held on September 30, 2016</u> |
|--|--|--|--|---|
| Whole-Time Directors | | | | |
| Mr. Pravinbhai Patel Chairman and Managing Director DIN: 01877446 | Nil | Nil | 6 | Yes |
| Mrs. Jyotsaben Patel Executive Woman Director DIN: 01877469 | Nil | Nil | 6 | Yes |
| Independent Directors | | | | |
| Mr. Jayeshkumar Patel Independent Director DIN: 00473443 | 2 | Nil | 4 | Yes |
| Mr. Dilipkumar Patel Independent Director DIN: 00473816 | 1 | Nil | 4 | Yes |



DIRECTORS' REPORT

| | | | | |
|--|-----|-----|---|-----|
| Mr. Paresh Patel Independent Director DIN: 02352677 | 1 | Nil | 4 | Yes |
| Mr. Kanjibhai Chaudhary Independent Director DIN: 00505694 | 1 | Nil | 4 | Yes |
| Key Managerial Personnel | | | | |
| Ms. Prachi Shah# Company Secretary and Compliance Officer PAN: DQFPS5485H | Nil | Nil | 3 | Yes |
| Mr. Darshil Hiranandani^ Company Secretary and Compliance Officer PAN: AMAPH5756L | Nil | Nil | 2 | NA |

* Excluding Directorship held in the Company

Resigned from the post of Company Secretary and Compliance Officer w.e.f. October 14, 2016

^ Appointed as the Company Secretary and Compliance Officer w.e.f. November 14, 2016.

We believe that our Board needs to have an appropriate mix of Executive and Independent Directors to maintain its independence, and separate its functions of governance and management. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') mandate that for a Company with an Executive Chairman, at-least half of the Board should be Independent Directors. The Board of Directors of the Company consists of Six (6) Directors as on March 31, 2017, one (1) of whom is Managing Director, one (1) is Executive Director and Four (4) are Non-Executive Independent Directors which constitutes 66% of the Board's strength – more than the requirements of the Companies Act, 2013 and the Listing Regulations. Further, Mrs. Jyotsnaben P. Patel, an Executive Director of the Company, is designated as Woman Director for the Company in terms of second proviso to the Section 149 (1) of the Companies Act, 2013. The Composition of Board fulfills the regulatory requirements.

b. Number of Meetings of the Board of Directors:

Regular meetings of the Board are held at least once in a quarter to review the Quarterly Results and other items on the agenda, and also on the occasion of Annual General Meeting (AGM). Additional Board meetings are convened to discuss and decide on various business policies, strategies and other businesses. The Company Secretary drafts the Agenda for each meeting, along with explanatory notes, in consultation with the Managing Director, and distributes these in advance to the Directors. Every Board Member can suggest the inclusion of additional items in the agenda.

During the Financial Year 2016-2017, the Board of Directors of the Company, met 6 (Six) times on 30-May-16, 13-Aug-16, 14-Oct-16, 2-Sep-16, 14-Nov-16 and 4-Feb-17. The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act. The attendance details of the Board Meeting are following:



DIRECTORS' REPORT

| <u>Name of the Director</u> | <u>Board Meeting Number</u> | | | | | | <u>Held during the tenure</u> | <u>Attended</u> | <u>% of attendance</u> |
|--------------------------------|-----------------------------|----------|----------|----------|----------|----------|-------------------------------|-----------------|------------------------|
| | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | | | |
| Mr. Pravinbhai Patel | ● | ● | ● | ● | ● | ● | 6 | 6 | 100.00 |
| Mrs. Jyotsnaben Patel | ● | ● | ● | ● | ● | ● | 6 | 6 | 100.00 |
| Mr. Jayeshkumar Patel | ● | ❖ | ❖ | ● | ● | ● | 6 | 4 | 66.67 |
| Mr. Dilipkumar Patel | ● | ❖ | ❖ | ● | ● | ● | 6 | 4 | 66.67 |
| Mr. Paresh Patel | ● | ❖ | ❖ | ● | ● | ● | 6 | 4 | 66.67 |
| Mr. Kanjibhai Chaudhary | ● | ❖ | ❖ | ● | ● | ● | 6 | 4 | 66.67 |

● Attended

❖ Absent

c. Meeting of Independent Directors:

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was held on November 14, 2016 without the presence of non-independent directors and members of the management, to review the performance of non-independent directors and the Board as a whole, the performance of the Chairperson of the company and also to assess the quality, quantity and timeliness of flow of information between the company management and the Board.

9. INFORMATION OF COMMITTEE AND ITS MEETINGS

Currently, the Board has three (3) Committees:

- i. Audit Committee;
- ii. Nomination and Remuneration Committee and
- iii. Stakeholders' Grievances and Relationship Committee

| <u>Sr. No.</u> | <u>Name of the Director</u> | <u>Audit Committee</u> | <u>Nomination and Remuneration Committee</u> | <u>Stakeholders' Grievances and Relationship Committee</u> |
|----------------|-----------------------------|------------------------|--|--|
| 1. | Mr. Pravinbhai Patel | ● | | |
| 2. | Mrs. Jyotsnaben Patel | | | |
| 3. | Mr. Jayeshkumar Patel | ● | ● | + |
| 4. | Mr. Dilipkumar Patel | | + | ● |
| 5. | Mr. Paresh Patel | | | |
| 6. | Mr. Kanjibhai Chaudhary | | ● | ● |
| | + Chairman | | | |
| | ● Member | | | |



DIRECTORS' REPORT

i. Audit Committee

Our Audit Committee comprised of 3 Directors as on March 31, 2017:

- a) Kanjibhai Chaudhary - Chairman
- b) Jayeshkumar Patel - Member
- c) Pravinbhai Patel - Member

There was a change in the Composition in the of the Committee during the Financial Year 2016-17, Mr. Kanjibhai Chaudhary replaced Mr. Paresh Patel as the Chairman of the Audit Committee w.e.f. Saturday, February 4, 2017.

Mr. Darshil Hiranandani, Company Secretary and Compliance Officer acts as the Secretary to the Audit Committee.

Audit Committee Meetings and Attendance:

The Audit Committee Meeting was held 5 (Five) times during the year ended March 31, 2017. These were held on 30-May-16, 13-Aug-16, 2-Sep-16, 14-Nov-16 and 4-Feb-17. The attendance details of the Audit Committee meeting are following:

| <u>Name of the Director</u> | <u>Committee Meeting Number</u> | | | | | <u>Held during the tenure</u> | <u>Attended</u> | <u>% of attendance</u> |
|---------------------------------|---------------------------------|----------|----------|----------|----------|-------------------------------|-----------------|------------------------|
| | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | | | |
| Mr. Kanjibhai Chaudhary* | ○ | ○ | ○ | ○ | ○ | Nil | Nil | 0.00 |
| Mr. Jayeshkumar Patel | ● | ● | ● | ● | ● | 5 | 5 | 100.00 |
| Mr. Pravinbhai Patel | ● | ❖ | ● | ● | ● | 5 | 4 | 80.00 |
| Mr. Paresh Patel# | ● | ● | ● | ● | ● | 5 | 5 | 100.00 |

* Appointed as the Chairman of the Committee w.e.f. February 4, 2017;

Removed as the Chairman of the Committee w.e.f. February 4, 2017;

● Attended

○ Not Applicable

❖ Absent

ii. Nomination and Remuneration Committee

Our Nomination and Remuneration Committee comprised of 3 Directors as on March 31, 2017:

- a) Jayeshkumar Patel - Chairman
- b) Dilipkumar Patel - Member
- c) Kanjibhai Chaudhary - Member

There was no constitution in the Nomination and Remuneration Committee during the year 2016-17.

Mr. Darshil Hiranandani, Company Secretary and Compliance Officer acts as the Secretary to the Nomination and Remuneration Committee.



DIRECTORS' REPORT

Nomination and Remuneration Committee Meetings and Attendance:

The Nomination and Remuneration Committee Meeting was held 4 (Four) times during the year ended March 31, 2017. These were held on 13-Aug-16, 2-Sep-16, 14-Nov-16 and 4-Feb-17. The attendance details of the Nomination and Remuneration Committee meeting are following:

| Name of the Director | Committee Meeting Number | | | | Held during the tenure | Attended | % of attendance |
|-------------------------|--------------------------|----------|----------|----------|------------------------|----------|-----------------|
| | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | | | |
| Mr. Dilipkumar Patel | ● | ● | ● | ● | 4 | 4 | 100.00 |
| Mr. Jayeshkumar Patel | ● | ● | ● | ● | 4 | 4 | 100.00 |
| Mr. Kanjibhai Chaudhary | ● | ● | ● | ● | 4 | 4 | 100.00 |

● Attended

iii. Stakeholders' Grievances and Relationship Committee

Our Stakeholders' Grievances and Relationship Committee comprised of 3 Directors as on March 31, 2017:

- a) Jayeshkumar Patel - Chairman
- b) Dilipkumar Patel - Member
- c) Kanjibhai Chaudhary - Member

There was no constitution in Stakeholders' Grievances and Relationship Committee during the year 2016-17.

Mr. Darshil Hiranandani, Company Secretary and Compliance Officer acts as the Secretary to the Stakeholders' Grievances and Relationship Committee.

Stakeholders' Grievances and Relationship Committee Meetings and Attendance:

The Stakeholders' Grievances and Relationship Committee Meeting was held 4 (Four) during the year ended March 31, 2017. These were held on 30-May-16, 13-Aug-16, 14-Nov-16 and 4-Feb-17. The attendance details of the Stakeholders' Grievances and Relationship Committee meeting are following:

| Name of the Director | Committee Meeting Number | | | | Held during the tenure | Attended | % of attendance |
|-------------------------|--------------------------|----------|----------|----------|------------------------|----------|-----------------|
| | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | | | |
| Mr. Jayeshkumar Patel | ● | ● | ● | ● | 4 | 4 | 100.00 |
| Mr. Dilipkumar Patel | ● | ● | ● | ● | 4 | 4 | 100.00 |
| Mr. Kanjibhai Chaudhary | ● | ● | ● | ● | 4 | 4 | 100.00 |

● Attended



DIRECTORS' REPORT

The details of Complaints during the fiscal ended on March 31, 2017 are as follows:

| <u>Number of Complaints Pending before the Fiscal Year 2016-17</u> | <u>Number of Complaints received during the Fiscal Year 2016-17</u> | <u>Number of Complaints Resolved during the Fiscal Year 2016-17</u> | <u>Number of Complaints pending at the end of the Fiscal March 31, 2017</u> |
|--|---|---|---|
| One (1) | One (1) | Two (2) | Nil (0) |

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors to the best of their knowledge 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 / (loss) of the company for that period;
- c) the directors had prepared the annual accounts on a going concern basis;
- d) the internal financial controls to be followed by the Company were laid down and such internal financial controls were adequate and were operating effectively; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In adherence of section 178(1) of the Companies Act, 2013, the Board of Directors of the Company, approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are – Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (Other than Managing / Whole-time Directors), Key-Executives and Senior Management and the Remuneration of Other Employees.

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is available at the website of the Company viz. www.swordnshieldpharma.com.

12. FORMAL ANNUAL EVALUATION

Meeting the requirements of the statute and considering Board Performance Evaluation as an important step for a Board to transit to a higher level of performance, the Nomination and Remuneration Committee has laid down a comprehensive framework for carrying out the evaluations



DIRECTORS' REPORT

prescribed in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The framework was developed to give all Board members an opportunity to evaluate and discuss the Board's performance openly from multiple perspectives and enhance governance practices within the Board. The framework describes the evaluation coverage and the process thereof.

Performance Evaluation of the Board and Committees:

In respect of the Financial Year ended March 31, 2017, the Board conducted its self-evaluation, that of its Committees and all of its individual Members. Some of the parameters which were taken into account while conducting Board evaluation were: Board Composition in terms of its size, diversity; Board processes in terms of communication; Disclosure of information.

The evaluation of each of the Board Committees were done on parameters such as whether key items discussed in the Committee are suitably highlighted to the Board, whether Committee effectively performs support functions to the Board in fulfilling its responsibilities etc.

Performance Evaluation of Non-Independent Directors:

The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors, considering aspects such as Effectiveness as Chairman, in developing and articulating the strategic vision of the Company; Demonstration of ethical leadership, displaying and promoting throughout the Company a behavior consistent with the culture and values of the organisation; Contribution to discussion and debate through thoughtful and clearly stated observations and opinions; Creation of a performance culture that drives value creation without exposing the Company to excessive risk.

Performance Evaluation of Independent Directors:

The performance evaluation of the Independent Directors was carried out by the entire Board, other than the Independent Director concerned, taking into account parameters such as – refrain from any action that may lead to loss of independence; refrain from disclosing confidential information, including commercial secrets, technologies, unpublished price sensitive information, sales promotions plans etc., support to CMD and executive directors in instilling appropriate culture, values and behaviour in the boardroom and beyond, well informed about the Company and the external environment in which it operates, moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholders' interest etc.

Evaluation Outcome:

It was assessed that the Board as a whole together with each of its Committees was working effectively in performance of its key functions – Providing strategic guidance to the Company, reviewing and guiding business plans and major plans of action, ensuring effective monitoring of the management and overseeing risk management function.

The Board is kept well informed at all times through regular communication and meets once per quarter and more often during times of rapid growth or if Company needs merit additional oversight



DIRECTORS' REPORT

and guidance. Comprehensive agendas are sent to all the Board Members well in advance to help them prepare and keep the meetings productive.

The performance of the Chairman was evaluated satisfactory in the effective and efficient discharge of his role and responsibilities for the day to day management of the business, in line with the strategy and long term objectives.

The Executive Directors and Non-executive Directors provided entrepreneurial leadership of the Company within a framework of prudent and effective controls, with a balanced focus on policy formulation and development of operational procedures.

It was acknowledged that the management afforded sufficient insight to the Board in keeping it up-to-date with key business developments which was essential for each of the individual Directors to maintain and enhance their effectiveness.

13. EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form No. MGT – 9 forms part of the Board's Report and is annexed herewith as *ANNEXURE – I*.

14. AUDITORS

i. Statutory Auditors:

In terms of the transitional provisions applicable to Statutory Auditors under the Companies Act, 2013, B. K. Patel & Co., Chartered Accountants (Firm Registration No. 112647W), Ahmedabad were appointed as the statutory auditors of the Company for a period of 5 (five) years in the 20th Annual General Meeting (AGM) of the Company held on September 30, 2015.

Further, as per provisions of Section 139(1) of the Act, the appointment of B. K. Patel & Co., Chartered Accountants (Firm Registration No. 112647W), Ahmedabad is subject to ratification by Members at every AGM. The certificate of eligibility under applicable provisions of the Companies Act, 2013 and corresponding Rules framed thereunder was furnished by them towards appointment of a 5 (Five) year term.

As required by the provisions of the Companies Act, 2013, their appointment should be ratified by members each year at the AGM. B. K. Patel & Co., Chartered Accountants (Firm Registration No. 112647W), Ahmedabad has confirmed that ratification of their appointment, if made at the ensuing AGM, shall be in accordance with the conditions specified in the Act. Accordingly, requisite resolution forms part of the Notice convening the Annual General Meeting.

Statutory Auditors' Report

The observations of Statutory Auditors in their reports are self-explanatory and therefore do not call for any further comments.



DIRECTORS' REPORT

ii. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, Anand Lavingia, Practicing Company Secretary, Ahmedabad was appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending March 31, 2017.

Secretarial Audit Report

The Company has appointed Mr. Anand Lavingia – Practicing Company Secretary, Ahmedabad as the Secretarial Auditor of the Company for the Financial Year 2016-2017 in their Meeting of Board of Directors held on May 30, 2017 and his report is annexed with this Report as **ANNEXURE – 2**.

His report contains the following qualifications:

- 1. The Company has not appointed Chief Financial Officer under section 203 of the Companies Act, 2013 and*
- 2. Delay Submission of Outcome of Meetings of the Board of Directors with regards to quarterly financial results of the company quarter ended on March 31, 2016 and quarter ended on June 30, 2016.*

The management replies for the Audit Qualifications are as under:

1. The Company is in search of proper Qualified personnel for the designation of Chief Financial Officer and
2. Due to oversight the Outcome of the Board Meeting for the Audited / Un-Audited Financial Results for the Quarter and Year ended March 31, 2016 and Quarter ended on June 30, 2016 were not submitted in the time-frame prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, however the same was submitted to the Stock Exchange on May 31, 2016 and August 23, 2016 respectively.

The Management assures to comply all the statutory requirements hereinafter and maintain proper records thereof.

Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

15. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and there are only 1* Woman employee (Mrs. Jyotsnsaben Patel – Executive Woman



DIRECTORS' REPORT

Director, who is holding the position in the Top Management Level) and therefore there was no need to constitute an Internal Complaints Committee (ICC).

* Ms. Prachi Shah resigned from the post of Company Secretary and Compliance Officer w.e.f. October 14, 2016.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees, Investments and Security covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement. The Company has not granted any Loan, provided Guarantee or Securities during the year under review.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions to be entered by the Company with related parties will be in the ordinary course of business and on an arm's length basis. However, the Company has not entered into any related party transaction, as provided in Section 188 of the Companies Act, 2013, with the related party. Hence, Disclosure as required under Section 188 of the Companies Act, 2013 is not applicable to the Company.

18. CORPORATE GOVERNANCE

Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is not required to mandatorily comply with the provisions of certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore the Company has not provided a separate report on Corporate Governance, although few of the information are provided in this report of Directors under relevant heading.

19. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

20. LISTING OF SHARES

The equity shares of the Company are listed on the BSE Limited (BSE). The listing fee for the year 2017-18 has already been paid to the credit of the Stock Exchange.

21. GENERAL DISCLOSURE:

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134(3) of the Act and Rule 8 of The Companies (Accounts) Rules, 2014 to the extent the transactions took place on those items during the year.

Your Directors further state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:



DIRECTORS' REPORT

- a. Details of Annual Report on Corporate Social Responsibility as Company is not falling within the criteria as prescribed u/s 135 of the Companies Act, 2013;
- b. Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
- c. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;
- d. Details of Contracts and arrangement with the related parties;
- e. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future

22. ACKNOWLEDGEMENT:

Your Directors take this opportunity to place on record the valuable co-operation and support extended by the banks, government, business associates and the shareholders for their continued confidence reposed in the Company and look forward to having the same support in all future endeavors.

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

For and on behalf of the Board
For, **SWORD AND SHIELD PHARMA LIMITED**

Place : Pennsylvania
Date : August 14, 2017

PRAVINBHAI PATEL
MANAGING
DIRECTOR
DIN: 01877446

JYOTSNABEN PATEL
DIRECTOR
DIN: 01877469



EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

| | | | | | | | | | |
|--|--|---|----------------|--------------------------------------|---|----------------|----------------|-------------------|--------------------------|
| 1) Registration and Other Details: | | | | | | | | | |
| CIN | : | L24231GJ1995PLC024809 | | | | | | | |
| Registration Date | : | February 28, 1995 | | | | | | | |
| Name of the Company | : | Sword & Shield Pharma Limited | | | | | | | |
| Category / Sub-Category of the Company | : | Company limited by shares / Indian Non-Government Company | | | | | | | |
| Address of the Registered Office and contact details | : | 55, World Business House, Near Parimal Garden, Ambawadi, Ahmedabad - 380 006 Tel No: +91-98250 79759 Email: swordnshield1995@g.ail.com Web Site: www.swordnshieldpharma.com | | | | | | | |
| Whether listed Company | : | Yes | | | | | | | |
| Name, address and contact details of Registrar and Transfer Agent, if any | : | MCS Share Transfer Agent Limited 201, Shatdal Complex, Opp. Bat Show Room, Ashram Road, Ahmedabad - 380 009 Tel No.: 91-79 2658 0461 / 62 / 63 Email ID: mcsahmd@gmail.com | | | | | | | |
| 2) Principal Business Activity of the Company: | | | | | | | | | |
| Name and Description of main Products / Services | | NIC Code of the Product / Service | | | % to total turnover of the Company | | | | |
| Pharmaceutical | | 996117 | | | 100 | | | | |
| 3) Particulars of Holding, Subsidiary and Associate Companies: | | | | | | | | | |
| SR. No. | Name and Address of the Company | | | Holding/ Subsidiary /Associate | CIN/GLN | | | % of shares held | Applicable Section |
| N.A. | | | | | | | | | |
| 4) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity): | | | | | | | | | |
| I) Category-wise Shareholding | | | | | | | | | |
| Category of Shareholders | No. of Shares held as at April 1, 2016 | | | | No. of Shares held as at March 31, 2017 | | | | % Change during the year |
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 217,400 | 122,600 | 340,000 | 6.60 | 217,400 | 122,600 | 340,000 | 6.60 | - |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt. | - | - | - | - | - | - | - | - | - |
| d) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| e) Banks/FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub-Total (A)(1): | 217,400 | 122,600 | 340,000 | 6.60 | 217,400 | 122,600 | 340,000 | 6.60 | - |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other - Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|------------------|------------------|------------------|---------------|------------------|------------------|------------------|---------------|---------------|
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-Total (A)(2): | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoters (A) = (A)(1)+(A)(2) | 217,400 | 122,600 | 340,000 | 6.60 | 217,400 | 122,600 | 340,000 | 6.60 | - |
| B. Public Share Holding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds / UTI | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | 7,400 | - | 7,400 | 0.14 | 7,400 | - | 7,400 | 0.14 | - |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Company | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-Total (B)(1): | 7,400 | - | 7,400 | 0.14 | 7,400 | - | 7,400 | 0.14 | - |
| (2) Non-Institution | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i. Indian | 479,151 | - | 479,151 | 9.30 | 466,244 | - | 466,244 | 9.05 | (0.25) |
| ii. Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals** | | | | | | | | | |
| i. Individual Shareholders holding nominal share capital upto Rs. 2 Lakh | 1,281,365 | 815,900 | 2,097,265 | 40.72 | 1,260,146 | 6,800 | 1,266,946 | 24.60 | (16.12) |
| ii. Individual Shareholders holding nominal share capital in excess of Rs. 2 Lakh | 967,545 | 1,201,300 | 2,168,845 | 42.11 | 1,605,876 | 1,388,140 | 2,994,016 | 58.13 | 16.02 |
| c) Others (specify) | | | | | | | | | |
| Market Maker | - | - | - | - | - | - | - | - | - |
| HUF | 47,939 | - | 47,939 | 0.93 | 65,894 | - | 65,894 | 1.28 | 0.35 |
| NRI | 10,000 | - | 10,000 | 0.19 | 10,100 | - | 10,100 | 0.20 | 0.00 |
| Clearing Members | - | - | - | - | - | - | - | - | - |
| Sub-Total (B)(2): | 2,786,000 | 2,017,200 | 4,803,200 | 93.26 | 3,408,260 | 1,394,940 | 4,803,200 | 93.26 | (0.00) |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 2,793,400 | 2,017,200 | 4,810,600 | 93.40 | 3,415,660 | 1,394,940 | 4,810,600 | 93.40 | (0.00) |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 3,010,800 | 2,139,800 | 5,150,600 | 100.00 | 3,633,060 | 1,517,540 | 5,150,600 | 100.00 | (0.00) |

| (II) Shareholding of Promoters & Promoters Group | | | | | | | | | |
|---|----------------------------------|----------------------------------|---|-----------------------------------|--------|---|----------------------------------|-----------------------------------|----------------------------------|
| Name | Shareholding as at April 1, 2016 | | Date wise Increase/Decrease in Shareholding | | | Cumulative Shareholding during the year | | Shareholding as at March 31, 2017 | |
| | No. of Share | % of total shares of the Company | Date | Increase/Decrease in shareholding | Reason | No. of Share | % of total shares of the Company | No. of Share | % of total shares of the Company |
| Mr. Pravinbhai Patel | 229,400 | 4.45 | - | - | - | - | - | 229,400 | 4.45 |
| Mrs. Jyotsnaben Patel | 110,600 | 2.15 | - | - | - | - | - | 110,600 | 2.15 |

| (III) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) | | | | | | | | | |
|--|----------------------------------|----------------------------------|---|-----------------------------------|------------|---|----------------------------------|-----------------------------------|----------------------------------|
| Name | Shareholding as at April 1, 2016 | | Date wise Increase/Decrease in Shareholding | | | Cumulative Shareholding during the year | | Shareholding as at March 31, 2017 | |
| | No. of Share | % of total shares of the Company | Date | Increase/Decrease in shareholding | Reason | No. of Share | % of total shares of the Company | No. of Share | % of total shares of the Company |
| Ms. Kamlesh Jain | 270,007 | 5.24 | No change | | | - | - | 270,007 | 5.24 |
| Mrs. Jashodaben Patel | - | - | 10-Jan-17 | 137,730 | Market Buy | 137,730 | 2.67 | 255,730 | 4.97 |
| | | | 31-Jan-17 | 118,000 | | 255,730 | 4.97 | | |
| Mr. Chiragbhai Patel | - | - | 10-Jan-17 | 131,730 | Market Buy | 131,730 | 2.56 | 251,230 | 4.88 |
| | | | 10-Feb-17 | 119,500 | | 251,230 | 4.88 | | |
| Mr. Jitendrakumar Patel | - | - | 10-Jan-17 | 185,280 | Market Buy | 185,280 | 3.60 | 241,880 | 4.70 |
| | | | 31-Jan-17 | 56,600 | | 241,880 | 4.70 | | |
| Mr. Shaileshkumar Patel | - | - | 10-Jan-17 | 214,380 | Market Buy | 214,380 | 4.16 | 256,280 | 4.98 |
| | | | 31-Jan-17 | 41,900 | | 256,280 | 4.98 | | |
| M/s. Probi Fincap Private Limited | - | - | No change | | | - | - | 200,000 | 3.88 |
| Mr. Sanjaykumar Patel | - | - | 10-Jan-17 | 76,000 | Market Buy | 76,000 | 1.48 | 150,000 | 2.91 |
| | | | 31-Jan-17 | 74,000 | | 150,000 | 2.91 | | |
| Mr. Jagdishkumar Akhani | 149,300 | 2.90 | No change | | | 149,300 | 2.90 | 149,300 | 2.90 |
| Mrs. Punitaben Patel | - | - | 10-Jan-17 | 136,980 | Market Buy | 136,980 | 2.66 | 256,980 | 4.99 |
| | | | 31-Jan-17 | 120,000 | | 256,980 | 4.99 | | |
| Mr. Prakashkumar Patel | - | - | 31-Jan-17 | 120,300 | Market Buy | 120,300 | 2.34 | 120,300 | 2.34 |

| (IV) Shareholding of Directors and Key Managerial Personnel | | | | | | | | | |
|--|----------------------------------|----------------------------------|---|-----------------------------------|--------|-------------------------|----------------------------------|-----------------------------------|----------------------------------|
| Name | Shareholding as at April 1, 2016 | | Date wise Increase/Decrease in Shareholding | | | Cumulative Shareholding | | Shareholding as at March 31, 2017 | |
| | No. of Share | % of total shares of the Company | Date | Increase/Decrease in shareholding | Reason | No. of Share | % of total shares of the Company | No. of Share | % of total shares of the Company |
| Mr. Pravinbhai Patel | 229,400 | 4.45 | - | - | - | - | - | 229,400 | 4.45 |
| Mrs. Jyotsnaben Patel | 110,600 | 2.15 | - | - | - | - | - | 110,600 | 2.15 |
| Mr. Jayeshkumar Patel | - | - | - | - | - | - | - | - | - |
| Mr. Dilipkumar Patel | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|-----------------------------------|-------------------------------------|---|---|---|---|---|---|---|---|
| Mr. Paresh Patel | - | - | - | - | - | - | - | - | - |
| Mr. Kanjibhai Chaudhary | - | - | - | - | - | - | - | - | - |
| Ms. Prachi Shah* | - | - | - | - | - | - | - | - | - |
| Mr. Darshil Hiranandani# | - | - | - | - | - | - | - | - | - |
| *resigned w.e.f. October 14, 2016 | #appointed w.e.f. November 14, 2016 | | | | | | | | |

| 5) Indebtness | | | | (Rs. In Lakh) |
|--|----------------------------------|-----------------|----------|--------------------|
| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtness at the beginning of the financial year | | | | |
| i) Principal Amount | - | 39.58 | - | 39.58 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total A (i+ii+iii) | - | 39.58 | - | 39.58 |
| Change in Indebtedness during the financial year | | | | |
| Additions | - | - | - | - |
| Reduction | - | 10.75 | - | 10.75 |
| Net Change B | - | 10.75 | - | 10.75 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | 28.83 | - | 28.83 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total C (i+ii+iii) | - | 28.83 | - | 28.83 |

| 6) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL | | | |
|--|---------------------------------------|--|---------------|
| A) Remuneration to Managing Director, Whole-time Directors and/or Manager | | | (Amt. in INR) |
| Particulars of Remuneration | Name of the MD/WTD/Manager | Name of the MD/WTD/Manager | Total Amount |
| | Pravinbhai Patel Managing Director | Jyotsnaben Patel Executive Woman Director | |
| Gross salary | | | |
| (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | - | - | - |
| (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | - | - | - |
| (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - |
| Stock option | - | - | - |
| Sweat Equity | - | - | - |
| Commission | - | - | - |
| as % of profit | - | - | - |
| others (specify) | - | - | - |
| Others, please specify | - | - | - |
| Total (A) | - | - | - |

B) Remuneration to other Directors: The Company is neither paying sitting fees nor any remuneration to other Directors.

| C) Remuneration to key Managerial Personnel Other than MD/Manager/WTD | | | (Amt. in INR) |
|--|--|--|----------------|
| Particulars of Remuneration | Name of the KMP Prachi Shah* Company Secretary & Compliance Officer | Name of the KMP Darshil Hiranandani# Company Secretary & Compliance Officer | Total Amount |
| | Gross salary | | |
| (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961. | 123,057 | 89,320 | 212,377 |
| (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | - | - | - |
| (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - |
| Stock option | - | - | - |
| Sweat Equity | - | - | - |
| Commission | - | - | - |
| as % of profit | - | - | - |
| others (specify) | - | - | - |
| Others, please specify | - | - | - |
| Total | 123,057 | 89,320 | 212,377 |
| *Resigned w.e.f. October 14, 2016 | # Appointed w.e.f. November 14, 2016 | | |

| 7) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES | | | | | |
|--|------------------------------|-------------------|--|-----------------------------|-----------------------------------|
| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/ NCLT/ Court) | Appeal made if any (give details) |
| A. Company | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | | | | | |
| Compounding | | | | | |
| B. Directors | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | | | | | |
| Compounding | | | | | |
| C. Other Officers in Default | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | | | | | |
| Compounding | | | | | |

For and on behalf of Board of Directors
For, **Sword & Shield Pharma Limited**

Place: Pennyslvnia
Date: August 14, 2017

Pravinbhai Patel
Managing Director
DIN 01877446

Jyotsnaben Patel
Director
DIN 01877469

SECRETARIAL AUDIT REPORT**Secretarial Audit Report**

*ANNEXURE – 2***SECRETARIAL AUDIT REPORT****Form No. MR-3**

For the financial year ended March 31, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SWORD & SHIELD PHARMA LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sword & Shield Pharma Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



SECRETARIAL AUDIT REPORT

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”)
- vi. Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Companies Act, 2013, Rules made thereunder, Regulations, guidelines etc. mentioned above except;

- *Appointment of Chief Financial Officer under section 203 of the Act; and*

Further, the Company has not complied/delayed complied various Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are;

- *Delay Submission of Outcome of Meetings of the board of directors regards to quarterly financial results of the company quarter ended on March 2016 and quarter ended on June 30, 2016.*

Further, the Company being engaged in the Manufacturing / Trading of Pharmaceutical products, following is specific applicable law to the Company, which requires approvals or compliances under is;

1. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945 - The Company has complied with all requirements as specified by the Act.

And other generally applicable laws to the company are mentioned in **Annexure A**. We have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances of the said laws.

During the Period under review, provisions of the following Acts, Rules, Regulations, and Standards are not applicable to the Company,

- i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- ii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - the Company is not registered as Registrar to an Issue & Share Transfer Agent. However, the Company has appointed MCS Share Transfer Agent Limited as Registrar & Share Transfer Agent as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iv. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- v. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;



SECRETARIAL AUDIT REPORT

- vi. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vii. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings.

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director and there were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that -

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that –

There were no special / specific event has been occurred during the audit period except the securities of Company got revoked from suspension from BSE Limited.

Place : Ahmedabad

Signature:

Date : 14/08/2017

Name of Practicing Company Secretary: Anand Lavingia

ACS No. : 26458

C P No. : 11410

Note: This Report is to be read with my letter of above date which is annexed as **Annexure B** and forms an integral part of this report.



SECRETARIAL AUDIT REPORT

Annexure A

List of major Specific Acts applicable to the Company

1. The Indian Contract Act, 1872
2. Negotiable Instrument Act, 1881
3. Sales of Goods Act, 1930
4. Arbitration & Conciliation Act, 1996
5. Bombay Stamp Act, 1958 (as applicable to Gujarat State)
6. Registration Act, 1908
7. The Indian Stamp Act, 1899
8. The Gujarat Stamp Act, 1958



SECRETARIAL AUDIT REPORT**Annexure B**

To,
The Members,
Sword & Shield Pharma Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis, on the records and documents provided by the Management of the Company, to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad
Date : 14/08/2017

Signature:

Name of Practicing Company Secretary: Anand Lavingia

ACS No. : 26458

C P No. : 11410



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion Analysis Report

1. OVERVIEW:

The Indian Pharmaceutical Industry (IPI) is globally the 3rd largest in terms of volume and 13th largest in terms of value. India is the largest provider of generic drugs globally. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same periods. The Outlook of the Pharma Industry remains largely positive over the next few years. India is the largest supplier of the cost effective generic medicines to the developed world. With the varied range of medicines available for exports and with the availability of the largest number of approved pharmaceutical manufacturing facilities, India is all set to become the leader of Pharmaceutical exports to the World.

Due to losses carried out by the Company during several years because of the changing scenario in the pharmaceutical sector, the Management of the Company thought to diversify its business through combining the resources of 2 Companies to give better yield to the Shareholders of the Company through a scheme of arrangement in the nature of amalgamation with a Profit Making Organization – Praveg Communications Limited, having its Registered Office in the state of Gujarat – a Company which is carrying on the business of Events, Exhibitions and Advertisements.

2. OPPORTUNITY AND THREAT:

The Company has made an application for the Scheme of Arrangement in the nature of Amalgamation to BSE Ltd. between Praveg Communications Limited and the Company. If the application made by the Company is approved by BSE Ltd. and Securities and Exchange Board of India (SEBI) followed by the approval of National Company Law Tribunal, Ahmedabad (NCLT) then the Company can diversify its area of business operations apart from pharmaceutical business and can generate better revenues in future and can yield more profits which can protect the interest of the Stakeholders of the Company.

The application of Amalgamation if not approved by the Stock Exchange or Securities and Exchange Board of India (SEBI) then the Company will carry on the business of pharmaceutical and other allied activities of pharmaceutical products, but to cope up with the negative reserves of the Company and to



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

make the Company into a profit making entity from a loss making entity will be a tidy and difficult process as the Company has huge amount of negative reserves and with rising population and new health concerns the growth chances lye with all the companies with huge fund investment. However constant increase in the R & D cost is a crucial issue for small scale pharmaceutical companies. MNCs in pharmaceutical companies are also taking over the market which is also material threat for the domestic industry.

Also the Company has sold off its manufacturing unit – Factory Land and Building through the way of Slump Sale and therefore the Company is not engaged in the business of Manufacturing of Pharmaceutical products and therefore it is difficult to revive the Company from a loss making entity to a profit making entity just by earning the Income of Commission by marketing of the Pharmaceutical Products.

3. RISK FACTORS:

The risk factor is but naturally involved in any type of industry including natural risk. During the last few years, the promotion measures undertaken by other states of India, has also diverted the pharmaceutical business out of Gujarat. The corporate with obsolete technologies are likely to close down the business.

4. SEGMENT-WISE OR PRODUCT WISE PERFORMANCE:

The Company was engaged in the business of Manufacturing and Trading of Pharmaceutical and other allied Pharmaceutical Products which was closed down in the year 2015-16 by selling of the its Manufacturing Unit i.e. Factory Land and Building through Slump Sale and therefore the Company does not possess any Fixed Assets as on date. Currently, the Company is working for the marketing of the Pharmaceutical and other allied Pharmaceutical Products on Commission basis.

5. FUTURE OUTLOOK:

The Company is in planning for expanding its business activities by entering into the business of Events, Exhibitions and Advertisements along with the business of Pharmaceutical and other allied products through the process of Amalgamation with an Ahmedabad based organization named Praveg Communications Limited to widen its business activities.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an efficient system of internal controls for achieving the following business objectives of the company:

- a. Efficiency of operations;
- b. Protection of resources;
- c. Accuracy and promptness of financial reporting;
- d. Compliance with the laid down policies and procedures and
- e. Compliance with various laws and regulations.

In Sword & Shield Pharma Limited, Internal Audit is a multi-disciplinary function which reviews, evaluates and appraises the various systems, procedures/policies of the Company and suggests meaningful and useful improvements. It helps the Management to accomplish its objectives by bringing a systematic and disciplined approach to improve the effectiveness of risk management towards good corporate governance. The Directors handle most of the day-to-day functions. The Directors are regularly looking after all the key areas of the operations.

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the Fiscal Year 2016-17 the Company had earned an Income of INR 8.85 Lakh which increased by 232546.07% as compared to the Income of Previous Year of INR 380.90. The Company has incurred losses during the year of around INR 24.53 Lakh majorly due to payment of Re-Instatement fees to BSE Ltd. for Revocation of Suspension of the Securities of the Company as compared to the Profits during the Previous Year of INR 22.84 Lakh.

| <u>Particulars</u> | <u>2017</u> | <u>2016</u> |
|---|----------------|----------------|
| Revenue from Operations | 8,85,768.00 | 380.90 |
| Other Income | 17,894.00 | 0.00 |
| Profit / (Loss) before Depreciation, Finance | (24,46,008.95) | (12,60,394.94) |



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

| | | |
|---|----------------|----------------|
| Costs, Exceptional items and Taxation | | |
| Less: Depreciation and Amortisation expense | 0.00 | 13,52,053.00 |
| Profit / (Loss) before Finance Costs, Exceptional items and Taxation | (24,46,008.95) | (26,12,447.94) |
| Less: Finance Costs | 661.00 | 65,970.94 |
| Profit / (Loss) before Exceptional items and Taxation | (24,46,669.95) | (26,78,418.88) |
| Add: Exceptional items | 0.00 | 0.00 |
| Profit before Taxation | (24,53,122.95) | (29,78,429.88) |
| Less: Tax Expense | 0.00 | 0.00 |
| Discontinuing Operations | | |
| Profit / (Loss) from discontinuing operations (before tax) | 0.00 | 52,62,783.00 |
| Profit / (Loss) for the year | (24,53,122.95) | 22,84,353.12 |
| Earnings Per Share (EPS) | | |
| Basic | (0.48) | 0.44 |
| Diluted | (0.48) | 0.44 |

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company being engaged in the business of Pharma Industry, all the operation and management is look after by the Directors of the Company only. Further, there is no other employee in the Company except one marketing executive and the person appointed for looking after the Statutory Compliances under various acts. Further, Management is of the view to employ the person in the suitable post wherever require for the expansion of business the Company.

9. CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis, describing the Company's objective, projections and estimates are forward looking statements and progressive within the meaning of applicable security Laws and Regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors.



INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To,
The Members,
SWORD AND SHIELD PHARMA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SWORD AND SHIELD PHARMA LIMITED** which comprise the Balance Sheet as at March 31, 2017, 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 in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the



INDEPENDENT AUDITORS' REPORT

Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid 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 as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-B, and



INDEPENDENT AUDITORS' REPORT

- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

Office
301, 'Samruddhi',
Opp. Old High Court,
Navjivan P.O.,
Ahmedabad – 380 014.

Place : Ahmedabad
Date : May 30, 2017

For, **B. K. PATEL & CO.**
CHARTERED ACCOUNTANTS
Firm Reg. No.: 112647W

K. D. PATEL
PARTNER
MEMBERSHIP NO.: 39919



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Annexure-A to Independent Auditors' Report

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

- i. In respect of its fixed assets:**
 - a. As the Company has no fixed assets, accordingly clause (a) (b) and (c) of the paragraph 3(i) of the Order is not applicable.
- ii. In respect of its inventories:**
 - a. As the Company has no inventory of any kind, accordingly clause (a) (b) and (c) of the paragraph 3(ii) of the Order is not applicable.
- iii.** The Company has not granted any loan to any party listed in the register maintained under section 189 of the Companies Act, accordingly clause (a) and (b) of the paragraph 3(iii) of the Order is not applicable.
- iv.** The Company has not given any loan to directors or made any investment or given any security or guarantee accordingly paragraph 3(xv) of the Order is not applicable.
- v.** As informed to us, the Company has not accepted any deposit from public.
- vi.** As explained to us, the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 are not prescribed by the Central Government for the product of the Company.
- vii. In respect of its statutory dues:**
 - a. According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including value added tax, cess and any other statutory applicable to it with the appropriate authorities during the period. As explained to us, Company did not have any dues on account of employees' state insurance, wealth tax, duty of customs. According to the information and explanations given to us, no undisputed amounts payable in respect of sales tax, customs duty, excise duty, cess and other material statutory dues



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

applicable to it, were in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable except Rs. 44,974/- on account of professional tax.

- b. According to information and explanation given to us, there are no dues of income tax, wealth tax, sales tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute
- viii. As Company has no borrowings from any bank or financial institutions, government or debenture holders during the year, accordingly paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer (including debt instruments) and term loans during the year; accordingly paragraph 3(ix) of the Order is not applicable.
- x. According the information and explanation given to us and to the best of our knowledge and belief, no material fraud on or by the Company was noticed or reported during the period.
- xi. According to information and explanation given to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company, accordingly paragraph 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, accordingly paragraph 3(xiv) of the Order is not applicable.
- xv. In our opinion and according to information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

transactions with directors or persons connected with him, accordingly paragraph 3(xv) of the Order is not applicable.

- xvi.** In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45IA of the Reserve Bank of India Act, 1934

Office
301, 'Samruddhi',
Opp. Old High Court,
Navjivan P.O.,
Ahmedabad – 380 014.

Place : Ahmedabad
Date : May 30, 2017

For, **B. K. PATEL & CO.**
CHARTERED ACCOUNTANTS
Firm Reg. No.: 112647W

K. D. PATEL
PARTNER
MEMBERSHIP NO.: 39919



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Annexure-B to Independent Auditors' Report

(Referred to in Paragraph 2(f) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **SWORD AND SHIELD PHARMA LIMITED** (“the Company”) as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Office

301, 'Samruddhi',
Opp. Old High Court,
Navjivan P.O.,
Ahmedabad – 380 014.

For, **B. K. PATEL & CO.**

CHARTERED ACCOUNTANTS

Firm Reg. No.: 112647W

Place : Ahmedabad

Date : May 30, 2017

K. D. PATEL

PARTER

MEMBERSHIP NO.: 39919



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

DISCLAIMER

We, B.K.Patel & Co, Chartered Accountants - have relied upon the documents, information and explanations provided to us by the management of the Company for the purpose of forming our observations and views in this report. The responsibility, at all times for the design and implementation of the related Internal Financial Controls including adequate disclosures, will be of the management of the Company including the maintenance of adequate records, system and internal control sections and applications of the internal policies and safe guarding the assets of the company. The management of the Company will be responsible for correcting control lapses, if any. We are not aware of any information, record to the contrary which will lead us to believe that the conclusion stated in this Financial Statements is no longer valid. We have assumed that no changes, modifications of what so ever nature have been made to the policies and procedures implemented by the company, whether oral or in writing subsequent to the date of review specified in our report. And observations stated in this Financial Statements are to the best of knowledge of B.K. Patel & Co and such knowledge shall mean the actual knowledge of employees and Partners of B.K. Patel & Co. In course of preparing of this report :

1. We have presumed accuracy of all statements, information, documents and clarifications which were provided to us.
2. We have assumed the genuineness of all signatures on, and the authenticity and completeness of all documents, the copies of which alone have been reviewed by us.
3. We assumed the conformity of originals of all documents supplied to us as photocopy, scanned documents, PDF files etc.
4. We have assumed that documents submitted to us in connection with any particular issue are the only documents relating to such issue.

Limitations of liability:

In no event, B.K. Patel & Co. and / or its Partners and / or its employees shall be held liable for any direct, indirect, consequential, special, incidental or loss, damages or expenses (including, without limitation, damages loss of profit, goodwill, opportunity cost, loss of goodwill. indemnification etc.) arising out of this report, even if we have advise for this possible existence. Any decision for depending on our report is to be made by the Company and no communication by B.K. Patel & Co



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

should be treated as an invitation or inducement to engage the Company to act as suggested advice in the report.

Circulation of the Report

The above report is for sole and exclusive benefit of the Company. The Company agrees not to modify, derive commercial use exploit any type of undue advantage or benefits from the report.

Office
301, 'Samruddhi',
Opp. Old High Court,
Navjivan P.O.,
Ahmedabad – 380 014.

Place : Ahmedabad
Date : May 30, 2017

For, **B. K. PATEL & CO.**
CHARTERED ACCOUNTANTS
Firm Reg. No.: 112647W

K. D. PATEL
PARTER
MEMBERSHIP NO.: 39919



SWORD & SHIELD PHARMA LTD.

Balance Sheet as at 31st March, 2017

(Amount in Rs. `)

| P A R T I C U L A R S | Note | As At 31-3-2017 | As At 31-3-2016 |
|--|------|--------------------|--------------------|
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share Capital | 2 | 46619170.00 | 46619170.00 |
| (b) Reserves and Surplus | 3 | (47987118.55) | (45533995.60) |
| (c) Money received against share warrants | - | 0.00 | 0.00 |
| | | (1367948.55) | 1085174.40 |
| 2 Share application money pending allotment | - | 0.00 | 0.00 |
| 3 Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 4 | 2883000.00 | 3957500.00 |
| (b) Deferred Tax Liabilities (net) | - | 0.00 | 0.00 |
| (c) Other Long-Term Liabilities | - | 0.00 | 0.00 |
| (d) Long-Term Provisions | - | 0.00 | 0.00 |
| | | 2883000.00 | 3957500.00 |
| 4 Current Liabilities | | | |
| (a) Short-Term Borrowings | - | 0.00 | 0.00 |
| (b) Trade Payables | 5 | 0.00 | 45162.55 |
| (c) Other Current Liabilities | 6 | 451543.00 | 2110837.50 |
| (d) Short-Term Provisions | - | 0.00 | 0.00 |
| | | 451543.00 | 2156000.05 |
| TOTAL | | 1966594.45 | 7198674.45 |
| B ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | - | 0.00 | 0.00 |
| (ii) Intangible Assets | - | 0.00 | 0.00 |
| (iii) Capital Work-in-Progress | - | 0.00 | 0.00 |
| (iv) Intangible assets under development | - | 0.00 | 0.00 |
| (v) Fixed Assets held for sale | - | 0.00 | 0.00 |
| | | 0.00 | 0.00 |
| (b) Non-Current Investments | | | |
| (c) Deferred Tax Assets (net) | 7 | 1024358.91 | 1024358.91 |
| (d) Long-Term Loans and Advances | - | 0.00 | 0.00 |
| (e) Other Non-Current Assets | - | 0.00 | 0.00 |
| | | 1024358.91 | 1024358.91 |
| 2 Current Assets | | | |
| (a) Current Investments | - | 0.00 | 0.00 |
| (b) Inventories | - | 0.00 | 0.00 |
| (c) Trade Receivables | 8 | 20150.00 | 78255.00 |
| (d) Cash & Cash Equivalents and Bank Balance | 9 | 741478.54 | 678390.54 |
| (e) Short-Term Loans and Advances | 10 | 180607.00 | 5417670.00 |
| (f) Other Current Assets | - | 0.00 | 0.00 |
| | | 942235.54 | 6174315.54 |
| TOTAL | | 1966594.45 | 7198674.45 |

Significant Accounting Policies and Notes on Financial Statements

1

For and on behalf of the Board of Directors

As per our attached report of even date

For, **B. K. PATEL & CO**
Chartered Accountants**Pravinbhai M Patel**
Managing Director
DIN 01877446**Jyotsnaben P Patel**
Director DIN
01877469**Darshil Hiranandani**
Company SecretaryPennsylvania
30-5-2017Ahmedabad
30-5-2017Ahmedabad
30-5-2017**K.D.Patel**
Partner

SWORD & SHIELD PHARMA LTD.

Statement of Profit & Loss for the year ended 31st March, 2017

(Amount in Rs. `)

| PARTICULARS | Note | Current Year | Previous Year |
|--|------|---------------------|---------------------|
| CONTINUING OPERATIONS | | | |
| Sale of Products (Net of Sales Return) | 11 | 0.00 | 380.90 |
| Other Operating Revenues | | 885768.00 | 0.00 |
| | | <u>885768.00</u> | <u>380.90</u> |
| Other Income | 12 | 17894.00 | 3233189.10 |
| Total Revenue | | <u>903662.00</u> | <u>3233570.00</u> |
| Expenses | | | |
| Cost of Materials Consumed | 13 | 0.00 | 534639.00 |
| Purchases of Stock-in-Trade | - | 0.00 | 0.00 |
| Changes in Inventories | - | 0.00 | 0.00 |
| Employee Benefits Expense | 14 | 422833.00 | 2291907.00 |
| Finance Costs | 15 | 661.00 | 65970.94 |
| Depreciation and Amortisation Expense | 16 | 0.00 | 1352053.00 |
| Other Expenses | 17 | 2926837.95 | 1667418.94 |
| | | <u>3350331.95</u> | <u>5911988.88</u> |
| Total Expenses | | <u>3350331.95</u> | <u>5911988.88</u> |
| Profit/(Loss) before exceptional and extraordinary items & tax | | (2446669.95) | (2678418.88) |
| Exceptional items | | 0.00 | 0.00 |
| Prior Period Items | | 6453.00 | 300011.00 |
| Profit / (Loss) before extraordinary items and tax | | <u>(2453122.95)</u> | <u>(2978429.88)</u> |
| Extraordinary items | | 0.00 | 0.00 |
| Profit / (Loss) Before Tax | | <u>(2453122.95)</u> | <u>(2978429.88)</u> |
| Tax Expense: | | | |
| Current tax expense for current year | | 0.00 | 0.00 |
| Less : MAT credit (where applicable) | | 0.00 | 0.00 |
| Current tax expense relating to prior years | | 0.00 | 0.00 |
| Net current tax expense | | <u>0.00</u> | <u>0.00</u> |
| Deferred tax Liabilities Provided / (Reverted) | | 0.00 | 0.00 |
| | | <u>0.00</u> | <u>0.00</u> |
| Profit / (Loss) from Continuing Operations | | <u>(2453122.95)</u> | <u>(2978429.88)</u> |
| DISCONTINUING OPERATIONS | | | |
| Profit / (Loss) from discontinuing operations (before tax) | | 0.00 | 5262783.00 |
| Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations | | 0.00 | 0.00 |
| | | <u>0.00</u> | <u>5262783.00</u> |
| Add / (Less): Tax expense of discontinuing operations | | | |
| (a) on ordinary activities attributable to the discontinuing operations | | 0.00 | 0.00 |
| (b) on gain / (loss) on disposal of assets / settlement of liabilities | | 0.00 | 0.00 |
| Profit / (Loss) from Discontinuing Operations | | <u>0.00</u> | <u>5262783.00</u> |
| TOTAL OPERATIONS | | | |
| Profit / (Loss) for the Year | | (2453122.95) | 2284353.12 |
| Earnings per Share (of Rs.10/- each): | | | |
| (a) Basic and Diluted | | (0.48) | 0.44 |

Significant Accounting Policies and Notes on Financial Statements

1

For and on behalf of the Board of Directors

As per our attached report of even date

For, **B. K. PATEL & CO**
Chartered Accountants**Pravinbhai M Patel**
Managing Director
DIN 01877446**Jyotsnaben P Patel**
Director DIN
01877469**Darshil Hiranandani**
Company SecretaryPennsylvania
30-5-2017Ahmedabad
30-5-2017Ahmedabad
30-5-2017**K.D.Patel**
Partner

SWORD & SHIELD PHARMA LTD.

Cash Flow Statement for the year ended 31st March, 2017

| PARTICULARS | (Amount in `) | |
|---|-------------------------|-------------------------|
| | For the year 2016-17 | For the year 2015-16 |
| (A) Cash Flow from Operating Activities : | | |
| Net Profit Before Tax | (2453122.95) | 2284353.12 |
| Non-Cash Adjustment to reconcile Profit Before Tax to Net Cash Flows | | |
| Loss/ (Profit) on sale of fixed asset | 0.00 | (5262783.00) |
| Rent Income | 0.00 | (2700000.00) |
| Interest Income | (17890.00) | (126157.00) |
| Depreciation | 0.00 | 1352053.00 |
| Bad Debts Written off | 0.00 | 0.00 |
| Operating Profit Before Working Capital Changes | (2471012.95) | (4452533.88) |
| Movement in Working Capital : | | |
| Increase/(Decrease) in Trade Payables | (45162.55) | (531506.45) |
| Increase/(Decrease) in Other Current Liabilities | (1659294.50) | (4052876.50) |
| Increase/(Decrease) in Short Term Provision | 0.00 | (10177.00) |
| Decrease/(Increase) in Inventories | 0.00 | 534639.00 |
| Decrease/(Increase) in Trade Receivables | 58105.00 | 1398465.00 |
| Cash Generated from/(used in) Operating Activities | (4117365.00) | (7113989.83) |
| Direct Taxes Paid (net) | 0.00 | 0.00 |
| Nat Cash from Operating Activities (A) | (4117365.00) | (7113989.83) |
| (B) Cash Flow from Investing Activity : | | |
| Sale / (Purchase) of Fixed Assets | 0.00 | 11431770.00 |
| Change in Short Term Loans & Advances | 5237063.00 | (4459985.00) |
| Interest Received | 17890.00 | 126157.00 |
| Rent Received | 0.00 | 2700000.00 |
| Net Cash form Investing Activities (B) | 5254953.00 | 9797942.00 |
| (C) Cash Flow from Financial Activities : | | |
| Change in paid up share capital | 0.00 | 0.00 |
| Change in long Term Borrowings | (1074500.00) | (2600000.00) |
| Net Cash Flow from/(used in) Financing Activities (C) | (1074500.00) | (2600000.00) |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | 63088.00 | 83952.17 |
| Add : Opening Cash & Cash Equivalents | 678390.54 | 594438.37 |
| Add/Less : Foreign Exchange Fluctuation | 0.00 | 0.00 |
| Closing Cash & Cash Equivalents | 741478.54 | 678390.54 |

For and on behalf of the Board of Directors

As per our attached report of even date

For, **B. K. PATEL & CO**
Chartered Accountants

Pravinbhai M Patel
Managing Director
DIN 01877446

Jyotsnaben P Patel
Director DIN
01877469

Darshil Hiranandani
Company Secretary

Pennsylvania
30-5-2017

Ahmedabad
30-5-2017

Ahmedabad
30-5-2017

K.D.Patel
Partner

SWORD & SHIELD PHARMA LTD.

Notes forming part of the financial statements for the year ended on 31st March, 2017

| Particulars | (Amount in Rs. ₹) | |
|-------------|--------------------|--------------------|
| | As At 31-3-2017 | As At 31-3-2016 |

Note- 2

SHARE CAPITAL

| | | |
|--|--------------------|--------------------|
| (a) Authorised Share Capital 60,00,000 Equity Shares of Rs.10/- each | 60000000.00 | 60000000.00 |
| (b) Issued Share Capital 51,50,600 Equity Shares of Rs.10/- each fully paid up | 51506000.00 | 51506000.00 |
| (c) Subscribed and fully Paid Up Capital 41,73,234 Equity Shares of Rs.10/- each fully paid up | 41732340.00 | 41732340.00 |
| (d) Subscribed and Partly Paid Up Capital 9,77,366 Equity Shares of Rs.10/- each partly paid up | 4886830.00 | 4886830.00 |
| TOTAL | 46619170.00 | 46619170.00 |

1.1 No Shares out of subscribed, issued and paid up capital were allotted as bonus shares in last 5 years

1.2 Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As At 31-3-2017 | | As At 31-3-2016 | |
|---------------------------------------|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Kamlesh Jain | 270007 | 5.24 | 270007 | 5.24 |

1.3 The reconciliation of number of shares outstanding is set out below:

| Class of Shares | As At 31-3-2017 | As At 31-3-2016 |
|--|--------------------|--------------------|
| | No. of Shares | No. of Shares |
| Equity Shares at the beginning of the year | 5150600 | 5150600 |
| Add : Shares issued during the year | 0 | 0 |
| Less : Shares cancelled or buy back | 0 | 0 |
| Equity Shares at the end of the year | 5150600 | 5150600 |

1.4 Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a face value of ₹ 10/- per share. Each equity shareholder is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts.

1.5 Shares held by holding/ultimate holding company and/or their subsidiaries/associates : - Nil

1.6 Particulars of Unpaid Calls

| Sr. No. | Particulars | 31-3-2017 | | 31-3-2016 | |
|---------|-----------------------|---------------|-------------------|---------------|-------------------|
| | | No. of shares | Value of Shares | No. of shares | Value of Shares |
| 1 | Unpaid from Directors | 0 | 0.00 | 0 | 0.00 |
| 2 | Unpaid from Public | 977366 | 4886830.00 | 977366 | 4886830.00 |
| | Total | 977366 | 4886830.00 | 977366 | 4886830.00 |

SWORD & SHIELD PHARMA LTD.

Notes forming part of the financial statements for the year ended on 31st March, 2017

| Particulars | (Amount in Rs. ₹) | |
|-------------|--------------------|--------------------|
| | As At 31-3-2017 | As At 31-3-2016 |

Note- 3

RESERVE & SURPLUS

Surplus (Deficit) in Profit & Loss Statement

| | | |
|-----------------------------------|----------------------|----------------------|
| Opening Balance | (45533995.60) | (47818348.72) |
| Add: Profit / (Loss) for the year | (2453122.95) | 2284353.12 |
| Closing Balance | (47987118.55) | (45533995.60) |
| TOTAL | (47987118.55) | (45533995.60) |

Note- 4

LONG TERM BORROWINGS

| | | |
|----------------------|-------------------|-------------------|
| From related parties | | |
| Unsecured | 2883000.00 | 3957500.00 |
| | 2883000.00 | 3957500.00 |
| TOTAL | 2883000.00 | 3957500.00 |

Notes :

a) Aggregate of loans & advances guaranteed by Directors 2883000.00 3957500.00

b) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

| Particulars | Terms of repayment and security* | As At 31-3-2017 | | As At 31-3-2016 | |
|--|----------------------------------|-----------------|------------|-----------------|------------|
| | | Secured | Unsecured | Secured | Unsecured |
| <u>Loans & advances from related parties</u> | | | | | |
| Directors | | 0.00 | 2883000.00 | 0.00 | 3957500.00 |
| Total - Loans and advances from RP | | 0.00 | 2883000.00 | 0.00 | 3957500.00 |

Note- 5

TRADE PAYABLES

Trade payables to:

| | | |
|-----------------------------------|-------------|-----------------|
| Micro, Small & Medium Enterprises | 0.00 | 0.00 |
| Others | 0.00 | 45162.55 |
| TOTAL | 0.00 | 45162.55 |

Details of dues to Micro, Small and Medium Enterprise as defined under MSMED Act, 2006

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure regarding :

- Amount due and outstanding to suppliers at the end of accounting year,
- Interest paid during the year,
- Interest payable at the end of accounting year,
- Interest accrued and unpaid at the end of the accounting year, have not been given.

Company is making efforts to get the confirmation from the suppliers as regards their status under the Act.

Note- 6

OTHER CURRENT LIABILITIES

| | | |
|--------------------------|------------------|-------------------|
| Statutory Liabilities | 51604.00 | 166173.00 |
| Outstanding Expenditures | 399939.00 | 1944664.50 |
| TOTAL | 451543.00 | 2110837.50 |

SWORD & SHIELD PHARMA LTD.

Notes forming part of the financial statements for the year ended on 31st March, 2017

| | | (Amount in Rs. ₹) | |
|---|--------------------|--------------------|--|
| Particulars | As At 31-3-2017 | As At 31-3-2016 | |
| Note-77 | | | |
| DEFERRED TAX ASSETS | | | |
| Deferred Tax Assets | | | |
| Related to Fixed Assets -Depreciations | 1024358.91 | 1024358.91 | |
| TOTAL | <u>1024358.91</u> | <u>1024358.91</u> | |
| Note- 8 | | | |
| TRADE RECEIVABLES | | | |
| Outstanding for a period exceeding six months from the date they are due for payment | | | |
| Unsecured, considered good | 0.00 | 78255.00 | |
| Other Trade receivables | | | |
| Unsecured, considered good | 20150.00 | 0.00 | |
| TOTAL | <u>20150.00</u> | <u>78255.00</u> | |
| Note- 9 | | | |
| CASH & CASH EQUIVALENTS AND BANK BALANCES | | | |
| Cash and Cash Equivalent | | | |
| Cash on hand | 11197.00 | 655321.00 | |
| Balances with banks | | | |
| In current accounts | 730281.54 | 23069.54 | |
| TOTAL | <u>741478.54</u> | <u>678390.54</u> | |
| Note- 10 | | | |
| SHORT TERM LOANS & ADVANCES | | | |
| Prepaid expenses - Unsecured & considered good | 657.00 | 535.00 | |
| Balances with government authorities (Unsecured, considered good) | | | |
| Advance Income Tax (Including TDS) | 108885.00 | 422570.00 | |
| CENVAT credit receivable | 5882.00 | 5882.00 | |
| VAT credit receivable | 65183.00 | 65183.00 | |
| Other Receivables | | | |
| Unsecured, considered good | 0.00 | 4923500.00 | |
| TOTAL | <u>180607.00</u> | <u>5417670.00</u> | |

| Particulars | (Amount in Rs. `) | |
|---|---------------------------------------|---------------------------------------|
| | For the year ended on 31-3-2017 | For the year ended on 31-3-2016 |
| Note- 11 | | |
| REVENUE FROM OPERATIONS | | |
| Sale of Products (Net of Sales Return) | 0.00 | 380.90 |
| Other Operating Revenues | 885768.00 | 0.00 |
| | <u>885768.00</u> | <u>380.90</u> |
| <u>Less:</u> | | |
| Excise Duty / VAT Recovered | | 0.00 |
| TOTAL | <u><u>885768.00</u></u> | <u><u>380.90</u></u> |
| Sale of products comprises of : | | |
| <u>Manufactured goods</u> | | |
| Pharma Products | 885768.00 | 380.90 |
| Total | <u>885768.00</u> | <u>380.90</u> |
| Note- 12 | | |
| OTHER INCOME | | |
| Interest income (Refere Note-1) | 17890.00 | 126157.00 |
| Other Non-Operating Income (Refer Note-2) (net of expenses directly attributable to such income) | 4.00 | 3107032.10 |
| Total | <u>17894.00</u> | <u>3233189.10</u> |
| Notes: | | |
| 1) <u>Interest income comprises:</u> | | |
| Interest income on Tax Refund | 17890.00 | 126157.00 |
| Total Interest Income | <u>17890.00</u> | <u>126157.00</u> |
| 2) <u>Other non-operating income comprises:</u> | | |
| Rental income | 0.00 | 2700000.00 |
| VAT Refund | 0.00 | 358077.24 |
| Commission Income | 0.00 | 46800.00 |
| Miscellaneous income (Refer Note -a) | 4.00 | 2154.86 |
| Total Other Non-operating Income | <u>4.00</u> | <u>3107032.10</u> |
| a) Miscellaneous Income | | |
| Kasar & Rate Diff | 4.00 | 2154.86 |
| Other Miscellaneous Income | 0.00 | 0.00 |
| Total | <u>4.00</u> | <u>2154.86</u> |
| Note- 13 | | |
| COST OF MATERIAL CONSUMED | | |
| Opening stock | 0.00 | 534639.00 |
| Add: Purchases | 0.00 | 0.00 |
| | <u>0.00</u> | <u>534639.00</u> |
| Less: Closing stock | 0.00 | 0.00 |
| Cost of material consumed | <u>0.00</u> | <u>534639.00</u> |
| Material consumed comprises: | | |
| Materials for Pharma Products | 0.00 | 534639.00 |
| Total | <u>0.00</u> | <u>534639.00</u> |
| Note- 14 | | |
| EMPLOYEES BENEFIT EXPENSES | | |
| Directors' Remuneration | 0.00 | 2000000.00 |
| Salaries and wages | 422833.00 | 289935.00 |
| Contributions to provident and other funds | 0.00 | 1972.00 |
| Total | <u>422833.00</u> | <u>2291907.00</u> |

| Particulars | (Amount in Rs. `) | |
|---|---------------------------------------|---------------------------------------|
| | For the year ended on 31-3-2017 | For the year ended on 31-3-2016 |
| Note- 15 | | |
| FINANCE COST | | |
| Other Interest | 661.00 | 63250.00 |
| Bank Commission Charges | 0.00 | 2720.94 |
| Total | <u>661.00</u> | <u>65970.94</u> |
| Note- 16 | | |
| DEPRECIATION AND AMORTISATION EXPENSES | | |
| Depreciation and Amortisation Expenses | 0.00 | 1352053.00 |
| Total | <u>0.00</u> | <u>1352053.00</u> |
| Note- 17 | | |
| OTHER EXPENSES | | |
| Direct Expenses | | |
| Fright & Transportation Charges | 0.00 | 3615.00 |
| Establishment Expenses | | |
| (other than considered as finance cost) | | |
| Advertisement & Web Site Exps | 41569.00 | 0.00 |
| Association Fees | 0.00 | 2275.00 |
| Commission Expense | 0.00 | 9750.00 |
| Excise Expense / Penalty | 2000.00 | 128639.00 |
| Income Tax Expense | 18400.00 | 95223.00 |
| Insurance Expense | 4087.00 | 2891.00 |
| Legal and Professional Fees | 181707.00 | 285225.50 |
| Office & Other Misc Expense | 9500.00 | 21285.00 |
| Payments to auditors (Refer Note) | 109250.00 | 51525.00 |
| Postage & Courier Expense | 69.00 | 1490.00 |
| Printing And Stationery Expense | 3100.00 | 3000.00 |
| Repairs and maintenance - Others | 3650.00 | 2759.00 |
| Repairs and maintenance - Vehicle | 0.00 | 87260.00 |
| Stock Exchange Fees/ Listing & Reinstatement Fees | 2532500.00 | 458000.00 |
| Kasar & Write Off | 21005.95 | 514481.44 |
| Total | <u>2926837.95</u> | <u>1667418.94</u> |
| Note- 18 | | |
| PAYMENT TO AUDITORS AS : | | |
| Payments to the auditors comprises (net of service tax input credit, where applicable): | | |
| As auditors - | | |
| For statutory audit | 57500.00 | 51525.00 |
| For other services | 51750.00 | 0.00 |
| Total | <u>109250.00</u> | <u>51525.00</u> |
| Note- 19 | | |
| Prior Period Expenses | | |
| Staff Uniform Exp | 0.00 | 300011.00 |
| Prior Period Exps | 6453.00 | 0.00 |
| Total | <u>6453.00</u> | <u>300011.00</u> |

| Particulars | (Amount in Rs. `) | |
|-------------|---------------------------------------|---------------------------------------|
| | For the year ended on 31-3-2017 | For the year ended on 31-3-2016 |

Note- 20**DISCONTINUING OPERATIONS**

| | | |
|--------------------------------|-------------|-------------------|
| Profit on Slump Sale of Assets | 0.00 | 5262783.00 |
| Total | <u>0.00</u> | <u>5262783.00</u> |

Note- 21**EARNING PER SHARE**

| | | |
|--|--------------|------------|
| Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders | (2453122.95) | 2284353.12 |
| Weighted Average number of Equity Shares used as denominator for calculating EPS | 5150600 | 5150600 |
| Basic and Diluted Earning per Share (in `) | (0.48) | 0.44 |
| Face Value per Equity Share (in `) | 10.00 | 10.00 |

Note- 22**Deferred Tax Liability / Assets**

In accordance with Accounting Statndard - 22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, Company is accounting for deferred tax.

| Components of Deferred Tax Liabilities / Assets | Opening Balance | Current Year Charge/Credit | Closing Balance |
|---|-----------------|----------------------------|-----------------|
| Difference in depreciation in block of fixed assets as per Income Tax and Financial Books | 1024358.91 | 0.00 | 1024358.91 |

Note- 23**RELATED PARTY DISCLOSURE :**

As per Accounting Standard-18, the disclosure of transactions with related parties are given below :

Name of Related Parties

- | | | |
|---|---------------------|------------|
| 1 | Pravinbhai M. Patel | Key Person |
| 2 | Jyotsnaben P. Patel | Key Person |

| Sr No | Related Parties | Nature of transactions | Amount Rs in lacs | Amount Rs in lacs |
|-------|-----------------|--------------------------|-------------------|-------------------|
| 1 | Key Persons | Remuneration | 20.00 | 20.00 |
| 2 | -do- | Loan Taken | 4.00 | 45.58 |
| 3 | -do- | Loan Reapid | 10.00 | 0.00 |
| 4 | -do- | Year End Balance of Loan | 39.57 | 45.58 |

Note- 24**CONTIGENT LIABILITIES :**

| | | |
|---|-----|-----|
| Claims against the Company not acknowledged as debt | Nil | Nil |
|---|-----|-----|

| Particulars | (Amount in Rs. `) | |
|-------------|---------------------------------------|---------------------------------------|
| | For the year ended on 31-3-2017 | For the year ended on 31-3-2016 |

Note- 25

Details of Specified Bank Notes (SBN) held and transacted during the period from 8-11-2016 to 30-12-2016

| Particulars | SBNs | Other Denomination | Total |
|---------------------------------------|------|-----------------------|----------|
| Closing Cash in Hand as on 8-11-2016 | 0.00 | 11197.00 | 11197.00 |
| (+) Permitted Receipts | 0.00 | 0.00 | 0.00 |
| (-) Amounts deposited into Banks | 0.00 | 0.00 | 0.00 |
| Closing Cash in Hand as on 30-12-2016 | 0.00 | 11197.00 | 11197.00 |

Note- 26

In the opinion of Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all liabilities is adequate and not in excess of the amounts considered reasonably necessary.

Note- 27

Outstanding Balance of unsecured loans, sundry debtors, sundry creditors, loans and advances and any other outstanding balances including all squared up accounts are subject to confirmation.

Note- 28

Previous year's figures have been regrouped/rearranged wherever necessary.

SIGNATURE TO NOTES ON ACCOUNTS

For and on behalf of Board of Directors

As per our attached report of even date

Pravinbhai M Patel
Managing Director
DIN 01877446

Jyotsnaben P Patel
Director
DIN 01877469

Darshil Hiranandani
Company Secretary

For, B. K. PATEL & CO
Chartered Accountants

Pennsylvania
30-5-2017

Ahmedabad
30-5-2017

Ahmedabad K.D.Patel
30-5-2017 Partner

SIGNIFICANT ACCOUNTING POLICIES

Notes 1

1 Company Overview

Sword & Shield Pharma Limited ('the company') is public listed company incorporated under the provision of Companies Act, 1956. Its Equity shares are listed on Bombay Stock Exchange ('BSE'). The company was primarily manufacturer of pharma products. Currently, Company is working for the marketing of the Pharma Products on Commission Basis.

2.1 Basis for Accounting & Preparation

The financial statements are prepared on the accounting principle of going concern and under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) and comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013. Accounting policies not specifically referred to otherwise are consistent and in accordance with the applicable Accounting Standards prescribed by the Companies (Accounts) Rules, 2014 to the extent applicable.

2.2 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 on the date of financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates and difference between actual results and estimates are recognized in the period in which the results are known/materialize.

3 SIGNIFICANT ACCOUNTING POLICIES:

3.1 Tangible Assets

Fixed Assets is being stated at their acquisition cost less accumulated depreciation and impairment losses. Cost of any addition to fixed assets comprises of all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use where applicable together with any incidental expenses of acquisition/installation. Cost of acquisition includes borrowing costs that are directly attributable to the acquisition/construction of qualifying assets.

An assets is considered as impaired in accordance with Accounting Standard (AS) – 28 "Impairment of Assets" when at balance sheet date there are indications of impairment and the carrying amount of the assets, or wherever applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as impairment loss in the Profit & Loss Account.

3.2 Depreciation

Depreciation in respect of all Fixed assets is being calculated as required under section 123 (2) of the Companies Act, 2013 and as per WDV and useful life prescribed in Schedule II of the Companies Act, 2013 on pro-rata basis.

3.3 Valuation of Inventories

Inventories are being valued at the lower of cost and net realizable value. Costs of inventories comprise all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Cost of inventories is generally ascertained on the 'FIFO' basis.

3.4 Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales comprises sale of goods and services, net of trade discounts and include taxes.

SIGNIFICANT ACCOUNTING POLICIES

3.5 Employee Benefits

Short-term employee benefits are recognized as an expense in the profit and loss account of the year in when such actual payment is made.

Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year when actual payment is made and no other provisions are made in respect of retirement benefits.

3.6 Borrowing Cost

Borrowing Costs attributable to acquisition and/or construction of qualifying assets as defined in Accounting Standard (AS) - 16 on "Borrowing Cost" are capitalized as a part of the cost of such assets up to the date when such assets are ready for its intended use. All other Borrowing Costs are charged to revenue.

3.7 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated into Rupees at the exchange rate prevailing at the Balance Sheet Date. All exchange differences are dealt with in Profit and Loss Account.

3.8 Taxes on Income

Current Tax is determined as the amount of tax payable in respect of taxable income for the period in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax Assets or Deferred Tax Liability is recognized on timing difference being the difference between taxable income and accounting income. Deferred Tax Assets or Differed Tax Liability is measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

3.9 Earning Per Share

The Company reports basic and diluted Earning Per Share (EPS) in accordance with Accounting Standard (AS) - 20 on "Earning Per Share". The basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

3.10 Contingent Liabilities

Contingent Liabilities as defined in Accounting Standard (AS)-29 "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to the accounts. Provision is made if it is probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

3.11 Segment Reporting

In accordance with Accounting Standard - 17, "Segmental Reporting" issued by the Institute of Chartered Accountants of India, the Company's business segment is other activities it has no other primary reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the year, is as reflected in the Financial Statements as of and for the year under review. The Company caters to the needs of the local market only and hence there are no reportable geographical segments.

SWORD AND SHIELD PHARMA LIMITED**CIN: L24231GJ1995PLC024809****Registered Office: 55, World Business House,
Near Parimal Garden, Ambawadi, Ahmedabad – 380 006****Website: www.swordnshieldpharma.com | e-Mail: swordnshield1995@gmail.com****Contact: +91 98250 79759****Twenty Second Annual General Meeting – September 29, 2017
Attendance Slip****Please complete the attendance slip and hand it over at the entrance of the meeting hall.**

1. Name of the Attending Member _____
(In block letters)
2. Regd. Folio Number _____
3. DP Id.* _____
4. Client Id.* _____
5. Name of the Proxy (in Block Letters) _____
(To be filled in if the proxy attends instead of member)
6. No. of shares held _____

I hereby record my presence at the Twenty Second (22nd) Annual General Meeting (AGM) at 55, World Business House, Near Parimal Garden, Ambawadi, Ahmedabad – 380 006 on Friday, 29th day of September, 2017 at 9.00 a.m.

*Applicable for Investors holding shares in electronic form

Signature of Shareholder / Proxy Holder

Note:

- Shareholders / Proxy holders are requested to bring the attendance slip with them when they come to the meeting. No attendance slip will be issued at the time of meeting.



SWORD AND SHIELD PHARMA LIMITED
CIN: L24231GJ1995PLC024809
**Registered Office: 55, World Business House,
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Website: www.swordnshieldpharma.com | e-Mail: swordnshield1995@gmail.com
Contact: +91 98250 79759
Twenty Second Annual General Meeting – September 29, 2017
Form No. MGT-11
Proxy Form
**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies
(Management and Administration) Rules, 2014]**

| | |
|----------------------------|--|
| Name of the Shareholder(s) | |
| Registered Address | |
| E-Mail ID | |
| DP ID* | |
| Client ID* | |
| Folio No | |

*Applicable for investors holding shares in electronic form.

I / We, being the Member(s) of _____ shares of Sword & Shield Pharma Limited (the above named Company), hereby appoint:

| | |
|----------------------|-----------|
| Name | Address |
| E-Mail ID | Signature |
| or failing him / her | |
| Name | Address |
| E-Mail ID | Signature |
| or failing him / her | |
| Name | Address |
| E-Mail ID | Signature |

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twenty Second Annual General Meeting of the Company, to be held on Friday, September 29, 2017, at 9:00 A. M. at the Registered Office of the Company situated at 55, World Business House, Near Parimal



Garden, Ambawadi, Ahmedabad – 380 006, and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No. | Resolutions | For | Against |
|----------------|--|------------|----------------|
| 1. | To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2017 together with Reports of the Directors and Auditors thereon. | | |
| 2. | To appoint a Director in place of Mr. Pravinbhai Patel (DIN: 01877446), who retires by rotation and being eligible, offers himself for reappointment. | | |
| 3. | To ratify the appointment of Auditors | | |

Signed this day of 2017.

| |
|---------------------------|
| Affix Revenue Stamp |
|---------------------------|

Signature of Shareholder

Signature of Proxy holder(s)

.....

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different joint holders may use copies of this Attendance slip / Proxy.





SWORD AND SHIELD PHARMA LIMITED

CIN: L24231GJ1995PLC024809

**Registered Office: 55, World Business House,
Near Parimal Garden, Ambawadi, Ahmedabad – 380 006**

Website: www.swordnshieldpharma.com | e-Mail: swordnshield1995@gmail.com

Contact: +91 98250 79759

Registration of email address for future communication

| | |
|--|------------|
| Name of the Shareholder: | E-Mail ID: |
| Address: | |
| Client Id / Folio No. (in case of physical holding): | |
| DP Id: | |
| Signature: | |

-----✂-----✂-----

(To be retained throughout the meeting)

E-VOTING SLIP



SWORD AND SHIELD PHARMA LIMITED

CIN: L24231GJ1995PLC024809

**Registered Office: 55, World Business House,
Near Parimal Garden, Ambawadi, Ahmedabad – 380 006**

Website: www.swordnshieldpharma.com | e-Mail: swordnshield1995@gmail.com

Contact: +91 98250 79759

ELECTRONIC VOTING PARTICULARS

| EVEN (E-Voting Event Number) | USER ID | PASSWORD |
|---|----------------|-----------------|
| 106755 | | |

Note:

1. The e-voting commences on Tuesday, September 26, 2017 at 10:00 A. M. IST and ends on Thursday, September 28, 2017 at 5:00 P. M. IST.
2. Please read instructions given overleaf before voting electronically.

