

ANNUAL REPORT

2013 - 14



Sword & Shield Pharma Ltd.



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NOTICE OF MEETING

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

ORDINARY BUSINESSES:

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

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

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

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

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

Pravinbhai Patel
Managing Director
DIN: 01877446

Place : Ahmedabad
Date : August 14, 2014

NOTES

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

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

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

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

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

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

10. GREEN INITIATIVE

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

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

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

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

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



ANNEXURE TO NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

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

DIRECTORS' REPORT

Dear Shareholders,

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

1. FINANCIAL RESULTS:

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

(Amount in Rs.)

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

2. DIVIDEND:

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

3. REVIEW OF BUSINESS OPERATION:

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

4. CORPORATE GOVERNANCE REPORT:

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

5. DIRECTORS:

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

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

The Board recommends their re-appointment.

6. AUDITORS AND AUDITORS' REPORT:

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

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

7. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the companies act, 1956, the Board of Directors of the company hereby state and confirm that:-

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

8. PARTICULARS OF THE EMPLOYEES:

The Company had not paid any remuneration attracting the provisions of section 217(2A) of the Companies Act, 1956 read along with the Companies (Particulars of Employees) Rules, 1975. Hence, no information is required to be appended to this report in this regard.

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

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

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

10. ACKNOWLEDGEMENT:

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

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

Place : Ahmedabad
Date : August 14, 2014

**Pravinbhai Patel
Managing Director
DIN: 01877446**

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance:

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

1. Board of Directors:

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

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

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

Composition of Board and other related matters:

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

Mr. Himanshu Patel DIN : 02026600	NE	01/09/2008	01	Nil	4	Yes	2500 (0.0485%)
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Mrs. Jyotsnaben Patel is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, had offered himself reappointment. Relevant details pertaining to them are provided in the Notice of the Annual General Meeting.

2. AUDIT COMMITTEE

The Company doesn't constitute Audit Committee

3. NOMINATION AND REMUNERATION COMMITTEE

The Company has not yet set up the remuneration Committee.

4. STAKEHOLDER'S GRIEVANCES & RELATIONSHIP COMMITTEE:

The Main purpose of the Stakeholder's Grievances & Relationship Committee is to focus on the redressal of Shareholders' / Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc. The Company has not formed Stakeholder's Grievances & Relationship Committee

Complaints

During the year, the Company had received one complaint from the Shareholder Mr. Devendra Kumar Gupta regarding remat of his Equity shares below his details Complaint:

"I have submitted the REMAT Application for the Sword and Shield Pharma Limited to Karvy 7 years back but I have not received the share certificate till yet. The REMAT Request is still pending for the confirmation till date. Details are as such RRN No 1642926 RRN Date 04/11/2006 Client DP id 12969162 Quantity 2500 I called many a times to the Karvy office in Hyderabad and Jaipur but I am not satisfied with the services being provided by karvy. The REMAT Request is pending from the year 2006 and no one from Karvy is at all interested to look into this matter. Even I have filled online survey being conducted by karvy for the services feedback but still did not got any call or mail on the same. I even requested Karvy to credit these shares back into my DP Account but they have not".

The Company is in process to contact M/S Karvy Financial services Limited and try to resolve above compliant and complaint was pending as on March 31, 2014.

5. General Body Meetings

Details of the last three Annual General Meetings for the year 2010-11, 2011-12, 2012-13 are as under:

AGM	Date	Time	Venue	No. of special Resolutions passed
18 th	September 28, 2013	10.00 A.M.	Office: Shree Sattar, Taluka Audichya Sahastra Gyanti Samaj, 6, Sattar Taluka Society, Navjivan Press Road, Ahmedabad- 380 014, Gujarat.	NIL
17 th	September 29, 2012	10.00 A.M.	Office: Shree Sattar, Taluka Audichya Sahastra Gyanti Samaj, 6, Sattar Taluka Society, Navjivan Press Road, Ahmedabad- 380 014, Gujarat.	NIL
16 th	September 30, 2011	10.00 A.M.	Office: Indulal Yagnik Hall, Rajkamal Plaza – A, Income Tax, Ahmedabad – 380 014, Gujarat.	NIL

The Company has not passed any shareholder resolutions through postal ballot during the year under reference.

6. Disclosures

a) Legal Compliances

The Company follows a formal management policy and system of legal compliance & reporting to facilitate periodical review by the Board of compliance status of laws applicable to the Company and steps taken to rectify non-compliances, if any.

b) Code of Business Conduct

The Code of Business Conduct adopted by the Company has been posted on the web site of the Company. The members of the Board and senior management of the Company have submitted their affirmation on compliance with the Code of Business Conduct for the effective period. The declaration by the Managing Director to that effect forms part of this report as Annexure 1.

c) Related Party Transactions

All transactions to be entered into with Related parties as defined under the Act and pursuant clause of the Listing Agreement will be in the ordinary course of business and on an arm's length basis and do not attract the provisions of section 188 of the Act. There were no materially significant transactions with related parties during the financial year which were in the conflict of interest of the Company. Suitable disclosures as required by the Accounting Standard [AS 18] have been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the website of the Company. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company at large.

d) Whistle Blower Policy

The Company has a whistle blower policy to deal with any instance of fraud and mismanagement. The employees of the Company are free to report violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under this policy. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination with any person for a genuinely raised concern.

e) Mandatory & Non-Mandatory Clauses

The Company has not complied with all mandatory requirements laid down by the Clause 49.

7. MEANS OF COMMUNICATION TO SHAREHOLDERS

The Company's corporate website www.swordnshieldpharma.com provides comprehensive information to the Shareholders during the year, unaudited half-yearly and audited annual financial results of the Company were submitted to the stock exchanges soon after the Board meeting concludes. All official news release of relevance to the investors are also made available on the website for a reasonable period of time.

8. General Shareholder Information

a. 19th Annual General Meeting

Date & Venue	Tuesday, September 30, 2014
Venue	311, Rajkamal Plaza, B/H High Court, Navrangpura, Ahmedabad – 380 014, Gujarat, India.

b. Tentative Financial Calendar for the year 2013-14

Financial year	1st April, 2014 to 31st March, 2015
First Quarter results	Second week of August 2014
Half Yearly results	Second week of November 2014
Third Quarter results	First week of February 2015
Results for year-end	Fourth week of May 2015

c. Date of Book Closure

September 24, 2014 to September 30, 2014 (both days inclusive)

d. Listing on Stock Exchanges and Security Codes

Name of Stock Exchange	Security Code
Bombay Stock Exchange Ltd., Mumbai (BSE)	531637

e. Distribution of Shareholding as at March 31, 2014

By size of shareholding:

Range of No. of Shares	Shares held		No. of Shareholders	
	Number	%	Number	%
01 – 500	168521	3.2719	550	40.8922
501- 1000	297296	5.7721	329	24.4610
1001 – 2000	251528	4.8835	159	11.8216
2001 – 3000	203297	3.9471	78	5.7993
3001 – 4000	115638	2.2451	32	2.3792
4001 – 5000	399423	7.7549	81	6.0223
5001 – 10000	449261	8.7225	54	4.0149
10001 – 50000	1009417	19.5980	46	3.4201
50001 – 100000	315712	6.1296	5	0.3717
And Above	1940507	37.6754	11	0.8178

f. By category of shareholders:

Category	No. of Shares		Total Shares	% of Holding
	Electronic	Physical		
Promoters' Group				
- Bodies Corporate	493952	0	493952	9.5899
- Directors	217400	122600	340000	6.6015
- Director Relatives	0	0	0	0
Mutual Funds and UTI	0	0	0	0
Banks, FI's & Insurance Companies	7400	0	7400	0.1437
Foreign Institutional	11000	0	11000	0.2136



Investors / NRIs				
HUF	47939	0	47939	0.9307
Indian Public	2233109	2017200	4250309	82.4721
Total	3010800	2139800	5150600	100

g. Registered Office

311, Rajkamal Plaza,
B/H High Court,
Navrangpura
Ahmedabad - 380 014.
Telephone: (079) 27543290

h. Compliance Officer

Mr. Pravin Patel,
Compliance Officer,
311, Rajkamal Plaza,
B/H High Court,
Navrangpura
Ahmedabad - 380 014.
E-mail: sspl2004@yahoo.com

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

Place : Ahmedabad
Date : August 14, 2014

Pravinbhai Patel
Managing Director
DIN: 01877446

ANNEXURE 1 TO CORPORATE GOVERNANCE REPORT

To,
The Shareholders

Affirmation of Compliance with Code of Business Conduct

In accordance with sub-clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that the Company has adopted Code of Conduct for the Directors and the Senior Management Personnel of the Company for the financial year ended March 31, 2014.

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

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

**Pravinbhai Patel
Managing Director
DIN: 01877446**

Place : Ahmedabad
Date : August 14, 2014

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CERTIFICATE

To,
The members of
Sword & Shield Pharma Limited

We have examined the compliance of conditions of Corporate Governance by **Sword & Shield Pharma Limited** for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause.

It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and explanations given to us, I certify that the Company has not complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

I state that in respect of the investor grievances received during the year ended March 31, 2014, *during the year, the Company had received one complaint from the Shareholder Mr. Devendra Kumar Gupta regarding remat of his Equity shares below his details Complaint:*

"I have submitted the REMAT Application for the Sword and Shield Pharma Limited to Karvy 7 years back but I have not received the share certificate till yet. The REMAT Request is still pending for the confirmation till date. Details are as such RRN No 1642926 RRN Date 04/11/2006 Client DP id 12969162 Quantity 2500 I called many a times to the Karvy office in Hyderabad and Jaipur but I am not satisfied with the services being provided by karvy. The REMAT Request is pending from the year 2006 and no one from Karvy is at all interested to look into this matter. Even I have filled online survey being conducted by karvy for the services feedback but still did not got any call or mail on the same. I even requested Karvy to credit these shares back into my DP Account but they have not".

The Company is in process to contact M/S Karvy Financial services Limited and try to resolve above compliant and complaint was pending as on March 31, 2014.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For, Anand S. Lavingia
Practicing Company Secretary**

Place: Ahmedabad
Date: August 14, 2014

**Anand Lavingia
ACS No: 26458
C P No: 11410**

MANAGEMENT DISCUSSION ANALYSIS REPORT

OVERVIEW:

The Indian Pharmaceutical Industry (IPI) is globally the 3rd largest in terms of volume and 13th largest in terms of value. The total market size of Rs. 1,233bn includes domestic consumption market of Rs. 600bn (contributing approx 48.6%) and the exports market being Rs. 633bn (contributing approx 51.4%). The industry grew at a CAGR of approx 12.5% during the past five years and is expected to growth at a robust CAGR of 15.1% during FY 2012-17 given huge export potential coupled with steady growth in the domestic formulation market. Gujarat has contributed significantly through acquisitions of foreign assets and by having export-led business models which has reflected in rising share in India's pharmaceutical exports as well as industry turnover, reveals the ASSOCHAM.

OPPORTUNITY AND THREAT:

With rising population and new health concerns is likely to promote the Pharmaceutical industry. 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.

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.

FUTURE OUTLOOK:

Due to increased demand of medical and drugs products, there are prospective opportunities for trading in industry. The company sees some better chances of growth in trading of industry goods with best distribution system and network.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Internal Control System comprises of exercising control at various stages and is established in order to provide reasonable assurance for:

- I. Safeguarding Assets and their usage,
- II. Maintenance of Proper Accounting Records and,
- III. Adequacy and Reliability of the information used for carrying on Business Operations.

The Directors handle most of the day-to-day functions. The Directors are regularly looking after all the key areas of the operations. Additionally the Audit Committee is reviewing all Audit Plans with significant control over all the matters and issues, internal control etc.



INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
SWORD AND SHIELD PHARMA LIMITED
AHMEDABAD.**

I have audited the accompanying financial statements of **SWORD AND SHIELD PHARMA LIMITED**, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements' responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and
- b) in the case of the Statement of Profit and Loss Account, of the loss for the year ended on that date.



7. Accounting For VAT

I draw your attention to Part - III Note (e) forming part of the financial statements which describe the accounting For VAT is subject to reconciliation with the returns under the relevant laws.

My opinion is not qualified in respect of the above matter.

PLACE :- AHMEDABAD

DATE :- 30th May, 2014



For, JANAK SONI & ASSOCIATES
CHARTERED ACCOUNTANTS

F.R.N. :- 121405W

A handwritten signature in blue ink, appearing to be "Janak S. Soni", written over a horizontal line.

C.A. Janakkumar S. Soni
Proprietor

M. No. :- 110003

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph Report On other Legal and Regulatory Requirements(Sub Para 1) of My Report of even date on the Accounts for the year ended on 31st March , 2014 of SWORD AND SHIELD PHARMA LIMITED.)

1. In respect of its fixed assets :-

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to me , the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in my opinion is reasonable, having regard to the size of the Company and nature of its assets . No material discrepancies were noticed on such physical verification.
- (c) In my opinion, the Company has not disposed off substantial part of its fixed assets during the year and the going concern state of the Company is not affected .

2. In respect of its inventories:-

- (a) As explained to me, inventories have been physically verified by the management at reasonably regular intervals during the year.
- (b) In my opinion and according to the information and explanation given to me , the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business .
- (c) The Company has maintained proper records of inventories. As explained to me, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

3. (a) The Company has not granted unsecured loans to Companies covered in the register maintained under Section 301 of the Companies Act ,1956 Therefore no further comments are required.

- (b) The Company has not taken any loans , secured or unsecured loans from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except Unsecured Loan from Directors amounting Rs. 9,34,000/- which is considered as interest free loan hence no further comments are required.

4. In my opinion and according to the information and explanation given to me, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of my audit, I have not observed any continuing failure to correct major weakness in internal control system of the Company.

5. (a). The Company has not maintained register under Section 301 of the Companies Act, 1956. As such, I am not able to make any comment.



- (b). Since, the Company has not maintained register under Section 301 of the Companies Act, 1956, I am not able to make comment as to whether the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at relevant time.
6. The Company has not accepted any deposits from public. Consequently the directives issued by the Reserve bank of India read with the provisions of Section 58A, 58AA or any other relevant provision of the Companies Act, 1956 and the rules framed there under are not applicable. Therefore, no further comments are made.
7. As per the information and explanation given to me, the Company has not any Internal Audit System commensurate with the size of the Company and nature of its business
8. As informed by the management of the Company, the Central Government has not prescribed maintenance of Cost records under Section 209(1) (d) of the Companies Act, 1956; which I have relied upon. Therefore, no comments are required to be made.
9. In respect of statutory dues :-
- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance Contribution, Income tax, Excise Duty and Customs Duty, Sales tax and other dues have been generally regularly deposited with the appropriate authorities.
- (b) As informed to me, there are no disputed statutory dues, which have not been deposited on account of matters pending before appropriate authorities.
10. (a) Accumulated losses of the Company, at the end of the financial year has exceeded fifty percent of its net worth.
- (b) The Company has incurred cash losses at the end of the financial year and in the immediately preceding financial year.
11. As per the records of the Company, the Company has not made any borrowings from financial Institutions or banks or debenture holders. Therefore, Clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 is not applicable.
12. As per the records of the Company, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, Clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
13. The Company is not a Chit fund, Nidhi / Mutual benefit fund / society. Therefore, Clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
14. According to the information and explanations given to me, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, Clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
15. According to the information and explanation given to me, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Therefore, Clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 is not applicable.

2 | Page *SWORD AND SHIELD PHARMA LTD. : Annexure : 2 to the Independent Auditor's Report : Accounting Year: 2013-14*



16. As per the records of the Company and as per the information and explanation given to me, the Company has not taken any Term Loan. . Therefore, Clause 4 (xvi) of the Companies (Auditor's Report) Order , 2003 is not applicable.
17. According to the information and explanations given to me and on the basis of an overall examination of the Balance sheet of the Company, and Cash flows statement, in my opinion, "prima facie ", no funds raised on a short – term basis have been used for long- term investment .
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, Clause 4 (xviii) of the Companies (Auditor's Report) Order , 2003 is not applicable.
19. The Company has not issued any debentures. Accordingly, Clause 4 (xix) of the Companies (Auditor's Report) Order , 2003 is not applicable .
20. The Company has not raised any money by public issues during the year. Accordingly, Clause 4 (xx) of the Companies (Auditor's Report)Order,2003 is not applicable .
21. In my opinion and according to the information and explanations given to me, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated . Accordingly, Clause 4.(xxi) of the Companies (Auditor's Report) Order , 2003 is not applicable.



For, JANAK SONI & ASSOCIATES
CHARTERED ACCOUNTANTS

F.R.N. :- 121405W

A handwritten signature in blue ink, appearing to read "Janak S. Soni", written over a horizontal line.

C.A. Janakkumar S. Soni
Proprietor

M. No. :- 110003

PLACE :- AHMEDABAD

DATE :- 30th May, 2014

ANNEXURE "1" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph " **Emphasis of Matter** " of My Report of even date on the Accounts for the year ended on 31st March , 2014 of SWORD AND SHIELD PHARMA LIMITED)

1. Valuation of Inventories (AS 2)

I draw your attention to Part - I Note 1 (E) forming part of the financial statements which describe amount of inventory is shown as Certified by the management of the Company.

My opinion is not qualified in respect of the above matter.

2. Accounting for Taxes on Income (AS 22)

I draw your attention to Part - I Note 1 (g) forming part of the financial statements which describe the Company does not make provision for Current Income Tax Liabilities.

My opinion is not qualified in respect of the above matter.

3. Contingent Liabilities

I draw your attention to Part - I Note 1 (h) forming part of the financial statements which describe the Contingent Liabilities have been considered as Certified by the Management of the Company.

My opinion is not qualified in respect of the above matter.

4. Related Party Disclosure (AS 18)

I draw your attention to Part - I Note 2 (b) forming part of the financial statements which describe the Related Party disclosure has been made as Certified by the management of the Company.

My opinion is not qualified in respect of the above matter.

5. Balance Confirmations from Parties

I draw your attention to Part - III Note (a) forming part of the financial statements which describe the balance confirmations from parties to be received.

My opinion is not qualified in respect of the above matter.

6. Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

I draw your attention to Part - III Note (b) forming part of the financial statements which describe not making of the disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

My opinion is not qualified in respect of the above matter.



Emphasis of Matter

As required by SA 706, (Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report) , I annex herewith **Annexure "1"**.

Report On other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure "2" a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, I report that:
 - a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - b) In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d) In my opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

PLACE : AHMEDABAD
DATE : 30th May,2014



For, JANAK SONI & ASSOCIATES
CHARTERED ACCOUNTANTS
(F.R.No. : 121405W)

A handwritten signature in blue ink, appearing to read 'Soni', with a small arrow pointing to the end of the signature.

(CA JANAKKUMAR S. SONI)
PROPRIETOR
M.NO. 110003

Sr. No.	Particulars	Note No.	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
I	<u>EQUITY AND LIABILITIES</u>			
1	<u>Shareholders' funds</u>			
	(a) Share capital	1	46,619,170	46,619,170
	(b) Reserves and surplus	2	(45,455,339)	(34,643,790)
	(c) Money received against share warrants		-	-
			1,163,831	11,975,380
2	<u>Share application money pending allotment</u>		-	-
3	<u>Non-current liabilities</u>			
	(a) Long-term borrowings	3	3,094,383	1,769,920
	(b) Deferred tax liabilities (Net)		-	-
	(c) Other long-term liabilities		-	-
	(d) Long-term provisions		-	-
			3,094,383	1,769,920
4	<u>Current liabilities</u>			
	(a) Short-term borrowings		-	-
	(b) Trade payables	4	5,722,861	4,170,064
	(c) Other current liabilities	5	7,510,455	5,502,610
	(d) Short-term provisions	6	87,961	45,263
			13,321,277	9,717,937
	TOTAL [1+2+3+4]		17,579,491	22,963,237
II	<u>ASSETS</u>			
1	<u>Non-current assets</u>			
	(a) Fixed assets			
	(i) Tangible assets	7	11,328,310	13,019,563
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
			11,328,310	13,019,563
	(b) Non-current investments		-	-
	(c) Deferred tax assets (Net)		309,378	240,932
	(d) Long-term loans and advances		-	-
	(e) Other non-current assets		-	-
			11,637,688	13,260,495
2	<u>Current assets</u>			
	(a) Current investments		-	-
	(b) Inventories	8	1,376,782	4,742,345
	(c) Trade receivables	9	3,584,670	3,870,223
	(d) Cash and cash equivalents	10	48,201	312,377
	(e) Short-term loans and advances	11	932,150	777,797
	(f) Other current assets		-	-
			5,941,803	9,702,742
	TOTAL [1+2]		17,579,491	22,963,237

See accompanying notes to and forming part of the financial statements , as per Annexure- 1.

As per my audit report of even date attached.

For, **IANAK SONI & ASSOCIATES**

Chartered Accountants

F.R.N. :- **121405W**



C.A. Janakkumar S. Soni
Proprietor

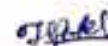
M. No. :- **110003**

Place : **AHMEDABAD**

Date : **30th May, 2014**



For and on behalf of the Board of Directors



Director



Director

Place : **AHMEDABAD**

Date : **30th May, 2014**

Sr. No.	Particulars	Note No.	For the year ended 31 March, 2014 Rupees	For the year ended 31 March, 2013 Rupees
I	Revenue from operations (gross)	16	5,531,109	18,825,191
II	Other income	17	215,765	226,496
III	Total Revenue (I + II)		5,746,874	19,051,687
IV	Expenses :-			
	(a) Cost of materials consumed	18	10,056,078	11,720,643
	(b) Purchases of stock-in-trade			195,840
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	401,408	352,248
	(d) Employee benefits expense	20	3,122,438	4,134,148
	(e) Finance costs		-	-
	(f) Depreciation and amortisation expenses	21	1,691,253	1,996,385
	(g) Other expenses	22	1,310,676	3,129,777
	(h) Prior Period Items	23	-	166,074
	Total expenses		16,581,853	21,695,115
V	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		(10,834,979)	(2,643,428)
VI	Exceptional items	24	(45,016)	-
VII	Profit / (Loss) before extraordinary items and tax (V - VI)		(10,879,995)	(2,643,428)
VIII	Extraordinary items	25	-	-
IX	Profit / (Loss) before tax (VII-VIII)		(10,879,995)	(2,643,428)
X	Tax expense:			
	(a) Current Tax		-	-
	(b) Deferred tax		(68,446)	(143,497)
			(68,446)	(143,497)
XI	Profit / (Loss) from continuing operations VII- VIII)		(10,811,549)	(2,499,931)
XII	Profit / (Loss) from discontinuing operations (before tax)		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit / (Loss) from Discontinuing operations (after tax)(XII-XIII)		-	-
XV	Profit / (Loss) for the period (XI+ XIV)		(10,811,549)	(2,499,931)
XVI	Earnings Per Equity Share			
	(1) Basic		(2.59)	(0.60)
	(2) Diluted		(2.59)	(0.60)

See accompanying notes to and forming part of the financial statements , as per Annexure- 1.

As per my audit report of even date attached.

For, JANAK SONI & ASSOCIATES

Chartered Accountants

F.R.N. :- 12140SW



C.A. Janakkumar S. Soni

Proprietor

M. No. :- 110003

Place : AHMEDABAD

Date : 30th May, 2014



For and on behalf of the Board of Directors



Director



Director

Place : AHMEDABAD

Date : 30th May, 2014

Note 1 : Share capital

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Rupees	Number of shares	Rupees
(a) Authorised :- Equity shares of Rs.10/- each with voting rights (all other than differential voting rights)	6,000,000	60,000,000	6,000,000	60,000,000
(b) Issued :- Equity shares of Rs.10/- each with voting rights (all other than differential voting rights)	5,150,600	51,506,000	5,150,600	51,506,000
(c) Subscribed and fully paid up :- Equity shares of Rs.10/- each with voting rights (all other than differential voting rights)	4,173,234	41,732,340	4,173,234	41,732,340
(d) Subscribed but not fully paid up	977,366	4,886,830	977,366	4,886,830
Total	5,150,600	46,619,170	5,150,600	46,619,170

Particulars of Shares held by each Share holder holding more than 5 (five) percent shares :-

Name of Share holder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Rupees	Number of shares	Rupees
1. Kamlesh Jain	270,007	2,700,070	270,007	2,700,070
2. Pravinbhai Maneklal Patel (*)	229,400	2,294,000	229,400	2,294,000

(*) Holding more than 5 % of total fully paid up shares. He is a Director in the Company.

Particulars of Calls Unpaid :-

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Rupees	Number of shares	Rupees
(a) . Unpaid by directors and Officers	-	-	-	-
(b). Unpaid by Others	977,366	4,886,830	977,366	4,886,830
Total	977,366	4,886,830	977,366	4,886,830



Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
Note 2 : Reserves and surplus		
(a) Capital reserve	-	-
(b) Capital redemption reserve	-	-
(c) Securities premium account	-	-
(d) Debenture redemption reserve	-	-
(e) Revaluation reserve	-	-
(f) Share options outstanding account	-	-
(g) General reserve	-	-
(k) Surplus / (Deficit) in Statement of Profit and Loss :-		
Opening balance	(34,643,790)	(32,143,859)
Add: Profit / (Loss) for the year	(10,811,549)	(2,499,931)
Less: Amount transferred to General Reserve	-	-
Closing balance	(45,455,339)	(34,643,790)
Total	(45,455,339)	(34,643,790)
Note 3 : Long-term borrowings		
(a) Bonds / debentures (Refer Note (i) below)		
(b) Term loans from Banks : Secured		
(c) Deferred payment liabilities		
(d) Deposits :-		
Security Deposit from M/s. Shree Distributors	-	130,537
(e) Loans and advances from related parties : Unsecured :-		
From Directors	2,889,000	934,000
(f) Long-term maturities of finance lease obligations	-	-
(g) Other loans and advances :-		
Unsecured : From Share Holders (Excluding from Directors)	-	-
- Surendra R. Patel	205,383	205,383
Total	3,094,383	1,269,920
Note 4 : Trade payables		
Acceptances	-	-
Other than Acceptances	5,722,861	4,170,064
Total	5,722,861	4,170,064



Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
Note 5 : Other current liabilities		
(a) Current maturities of long-term debt		
(b) Current maturities of finance lease obligations		
(c) Interest accrued but not due on borrowings		
(d) Interest accrued and due on borrowings		
(e) Income received in advance : Advances from Sundry Debtors	1,748,261	271,563
(f) Unpaid dividends		
(g) Application money received for allotment of securities and due for refund		
(h) Unpaid matured deposits and interest accrued thereon		
(i) Unpaid matured debentures and interest accrued thereon		
(j) Other payables		
(i) Statutory remittances :-		
ESIC Payable	2,069	-
CST Payable	1,226	4,610
Professional Tax Payable	65,108	48,108
TDS Payable	3,219	3,747
Sub Total	71,622	56,465
(ii) Payables on purchase of fixed assets	127,752	127,023
(iii) Directors' Remuneration Payable	5,210,635	1,792,800
(iv) Other Payable to Directors	-	2,061,221
(v) Expenses Payable	352,185	1,193,538
Total	7,510,455	5,502,610
Note 6 : Short-term provisions		
(a). Provision for employee benefits	44,961	20,263
(b). Others - Provision for Expenses	43,000	25,000
Total	87,961	45,263



Name of the Company : SWORD AND SHIELD PHARMA LTD.

Accounting Year : 2013-2014

Notes to and forming part of the financial statements (As per Schedule VI)(Revised)

Note 7 : Tangible Fixed Assets

ANNEXURE -1

Page 1

SR. NO.	NAME OF ASSET	RATE %	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
			AS ON 01.04.2013 Rs.	ADDITIONS Rs.	DEDUCTIONS Rs.	AS ON 31.03.2014 Rs.	UPTO 31.03.2013 Rs.	FOR THE YEAR Rs.	UPTO 31.03.2014 Rs.	AS ON 31.03.2014 Rs.	AS ON 31.03.2013 Rs.
1	Land	-	-	-	-	-	-	-	-	-	-
	P. Y.		-	-	-	-	-	-	-	-	-
2	Building										
a	Factory Building(Land & Building)	10.00	13,349,110	-	-	13,349,110	8,150,705	519,840	8,670,545	4,678,565	5,198,405
	P. Y.		13,349,110	-	-	13,349,110	7,573,104	577,601	8,150,705	5,198,405	5,776,006
b	Office Building	5.00	943,382	-	-	943,382	512,616	21,538	534,154	409,228	477,303
	P. Y.		943,382	-	-	943,382	489,944	22,672	512,616	430,766	477,303
	Total (2)		14,292,492	-	-	14,292,492	8,663,321	541,378	9,204,699	5,087,793	5,675,708
	P. Y.		14,292,492	-	-	14,292,492	8,063,048	600,273	8,663,321	5,629,171	6,253,309
3	Plant & Equipments										
a	A.C Plant		1,723,107	-	-	1,723,107	548,510	163,386	711,896	1,011,211	1,174,597
	P. Y.	13.91	1,425,107	298,000	-	1,723,107	386,031	162,479	548,510	1,174,597	1,039,076
b	Dies and Punches	13.91	166,590	-	-	166,590	103,647	8,755	112,402	54,188	62,943
	P. Y.		154,540	12,050	-	166,590	95,093	8,554	103,647	62,943	59,447
c	Electrical Installations	13.91	176,643	-	-	176,643	97,815	10,965	108,780	67,863	78,828
	P. Y.		176,643	-	-	176,643	85,079	12,736	97,815	78,828	91,564
d	Laboratory Equipments	13.91	53,910	-	-	53,910	44,146	1,358	45,504	8,406	9,764
	P. Y.		53,910	-	-	53,910	42,567	1,579	44,146	9,764	11,343
e	Plant & Machinery	13.91	26,682,612	-	-	26,682,612	21,677,307	696,238	22,373,545	4,309,067	5,005,305
	P. Y.		26,682,612	-	-	26,682,612	20,868,575	808,732	21,677,307	5,005,305	5,814,037
f	Weighing Scale	13.91	10,000	-	-	10,000	3,237	941	4,178	5,822	6,763
	P. Y.		10,000	-	-	10,000	2,145	1,092	3,237	6,763	7,855
	Total (3)		28,812,862	-	-	28,812,862	22,474,662	881,643	23,356,305	5,456,557	6,338,200
	P. Y.		28,502,812	310,050	-	28,812,862	21,479,490	995,172	22,474,662	6,338,200	7,023,322



Name of the Company : SWORD AND SHIELD PHARMA LTD.

Accounting Year : 2013-2014

Notes to and forming part of the financial statements (As per Schedule VI)(Revised)

Note 7 : Tangible Fixed Assets

ANNEXURE -1

Page 2

SR. NO.	NAME OF ASSET	RATE %	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
			AS ON 01.04.2013 Rs.	ADDITIONS Rs.	DEDUCTIONS Rs.	AS ON 31.03.2014 Rs.	UPTO 31.03.2013 Rs.	FOR THE YEAR Rs.	UPTO 31.03.2014 Rs.	AS ON 31.03.2014 Rs.	AS ON 31.03.2013 Rs.
4	Furniture & Fixtures	18.10	408,304	-	-	408,304	334,422	13,373	347,795	60,509	73,882
	P.Y.		408,304	-	-	408,304	318,094	16,328	334,422	73,882	90,210
5	Vehicles	25.89	2,114,412	-	-	2,114,412	1,440,956	174,358	1,615,314	499,098	673,456
	P.Y.		2,008,766	105,646	-	2,114,412	1,205,687	235,269	1,440,956	673,456	803,079
6	Office Equipments										
a	Computer System	40.00	416,300	-	-	416,300	270,286	58,406	328,692	87,608	146,014
	P.Y.		416,300	-	-	416,300	172,943	97,343	270,286	146,014	243,357
b	Office Equipments	13.91	502,781	-	-	502,781	343,941	22,095	366,036	136,745	158,840
	P.Y.		502,781	-	-	502,781	291,941	52,000	343,941	158,840	210,840
	Total (6)		919,081	-	-	919,081	614,227	80,501	694,728	224,353	304,854
	P.Y.		919,081	-	-	919,081	464,884	149,343	614,227	304,854	454,197
7	Others		-	-	-	-	-	-	-	-	-
	P.Y.		-	-	-	-	-	-	-	-	-
	Grand Total		46,547,151	-	-	46,547,151	33,527,588	1,691,253	35,218,841	11,328,310	13,066,100
	P.Y.		46,131,455	415,696	-	46,547,151	31,531,203	1,996,385	33,527,588	13,019,563	14,624,117



Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
Note 8 : Inventories		
Valued at Cost or Market Value whichever is less		
(a) Raw materials	536,307	2,562,128
(b) Packing material	340,974	1,279,308
(c) Finished goods (other than those acquired for trading)	499,501	900,909
(d) Stock-in-trade (in respect of goods acquired for trading)	-	-
(e) Stores and spares	-	-
(f) Loose tools	-	-
(e) Others (specify)	-	-
Total	1,376,782	4,742,345
Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.	NIL	NIL
Note : 9 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment :-		
(a). Secured, considered good	-	-
(b). Unsecured, considered good	-	-
(c). Doubtful	1,507,388	813,160
	1,507,388	813,160
Less : Provision for doubtful trade receivables	-	-
	1,507,388	813,160



Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
Other Trade receivables :-		
(a). Secured, considered good	-	-
(b). Unsecured, considered good	20,77,282	30,57,063
(c). Doubtful	-	-
	20,77,282	30,57,063
Less : Provision for doubtful trade receivables	-	-
	20,77,282	30,57,063
Total	35,84,670	38,70,223
Note: Trade receivables include debts due from :-		
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director/member	-	-
	-	-
Note 10 : Cash and cash equivalents		
(a) Balances with banks	9,615	2,35,401
(b) Cheques, drafts on hand	-	-
(c) Cash on hand	38,586	76,976
(d) Others (specify nature)	-	-
Total	48,201	3,12,377



Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
Note 11 : Short-term loans and advances		
(a) Loans and advances to related parties		
(b) Others :-		
(A). Secured, considered good	-	-
(B). Unsecured, considered good :-		
(i) Balances with government authorities :-		
Advance Income Tax (including TDS)	95,222	95,222
Excise Receivable	395,036	211,050
VAT Receivable	441,892	362,097
	932,150	668,369
(ii) Others :-		
Advances to Suppliers of Goods		109,428
	-	109,428
(C). Doubtful	-	-
Total (B)	932,150	777,797
Total (A)+(B)	932,150	777,797
Less: Provision for other doubtful loans and advances	-	-
Total	932,150	777,797
Note: Short-term loans and advances include amounts due from		
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	-	-
Total	-	-



Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
Note 12 : Contingent Liabilities and Commitments (to the extent not provided for As Certified by the management	NIL	NIL
Note 13 : Amount of Dividend Proposed to be distributed to Equity and Preference Share Holders Dividend Proposed Arrears of Cumulative Dividend	NIL NIL	NIL NIL
Note 14 : Securities made for sepcific purpose No securities has been imade for specific purpose. Hence, not Applicable.	NIL	NIL
Note 15 : Realization of Current Assets In the opinion of the Board, there are no fixed assets other than fixed assets and non-current investments which do not have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.	NIL	NIL



Particulars	For the Year Ended 31 March, 2014 Rupees	For the Year Ended 31 March, 2013 Rupees
Note 16 : Revenue from operations		
(a) Sale of products	5,298,971	18,685,881
(b) Sale of services	232,138	442,394
(c) Other operating revenues	-	-
Total	5,531,109	19,128,275
<u>Less:</u>		
(d) Excise duty		303,084
Net Total	5,531,109	18,825,191
Other Particulars (Break up)		
(i) Sale of products comprises :-		
a Manufactured goods	5,298,971	10,354,115
b Traded goods	-	8,331,766
Total - Sale of products	5,298,971	18,685,881
(ii) Sale of services comprise :- Job Works Income	232,138	442,394
Total - Sale of services	232,138	442,394
Total	5,531,109	19,128,275
Note 17 : Other income		
a Rate Difference	205,758	-
b Interest income	-	226,496
c Miscellaneous Income	10,007	-
Total	215,765	226,496
Note 18 : Cost of materials consumed (Includes Packing materials)		
A Raw materials		
Opening stock	2,562,128	1,992,940
Add : Purchases	5,658,946	7,029,402
	8,221,074	9,022,342
Less: Closing stock	536,307	2,562,128
Cost of raw materials consumed	7,684,767	6,460,214
B Packing materials		
Opening stock	1,279,308	1,845,698
Add : Purchases	1,432,977	4,694,039
	2,712,285	6,539,737
Less: Closing stock	340,974	1,279,308
Cost of packing materials consumed	2,371,311	5,260,429
Total	10,056,078	11,720,643



Particulars	For the Year Ended 31 March, 2014 Rupees	For the Year Ended 31 March, 2013 Rupees
Note 19 : Changes in inventories of finished goods,work-in-progress and stock-in-trade		
<u>Inventories at the end of the year:</u>		
a Finished goods	499,501	900,909
b Work-in-progress	-	-
c Stock-in-trade	-	-
Sub Total	499,501	900,909
<u>Inventories at the beginning of the year:</u>		
a Finished goods	900,909	1,253,157
b Work-in-progress	-	-
c Stock-in-trade	-	-
Sub Total	900,909	1,253,157
Net (increase) / decrease	(401,408)	(352,248)
Note 20 : Employee benefits expense		
1 Salaries and wages :-		
A Salary,Wages and Other Benefits :-		
a Salary and Wages	1,299,635	2,195,907
b Training Expenses	-	-
c Field Staff Incentives [P. Y. :- Field Staff Sales Promotion Expense]	-	-
d Medical Allowance		30,000
e Uniform Allowance		59,400
Sub Total	1,299,635	2,285,307
B Directors' Remuneration :-		
a Directors' Remuneration	1,792,800	1,792,800
b Directors' Perquisites	4,504	
Sub Total	1,797,304	1,792,800
Sub Total	3,096,939	4,078,107
2 Contributions to provident and other funds :-		
a ESI Contribution	5,438	6,868
b PF Contribution	14,562	29,314
	20,000	36,182
3 Staff Welfare Expenses	5,499	19,859
Total	3,122,438	4,134,148



Particulars	For the Year Ended 31 March, 2014 Rupees	For the Year Ended 31 March, 2013 Rupees
Note 21 : Depreciation		
Depreciation on Tangible Assets	1,691,253	1,996,385
Total	1,691,253	1,996,385
Note 22 : Other expenses		
I Consumption of stores and spare parts :-		-
a Cylinder Charges		14,015
b Water Charges	21,066	19,695
Sub Total	21,066	33,710
II Power and fuel :-		
Power and Fuels Expenses (Electricity)	230,848	504,055
Sub Total	230,848	504,055
III Rent including lease rentals	-	-
IV Repairs and maintenance - Buildings	6,600	184,476
V Repairs and maintenance - Machinery	18,997	71,040
VI Insurance	23,458	19,433
VII Rates and taxes : Municipal Tax		
(a) CST Expenses		6,250
(b) Excise Duty	4,094	-
(c) Municipal Tax	19,643	15,683
Sub Total	23,737	21,933
VIII Miscellaneous Expenses :-		
1 Advertisement Expenses	2,450	25,782
2 Association Fees		14,400
3 Audit Fees	18,000	29,998
4 Bank Commission and Charges	10,655	11,267
5 Commission Expenses	57,942	158,743
6 Consultancy fees	36,500	53,550
7 Conveyance Expenses	3,970	63,410
8 Discount Expenses	4,331	10,903
9 Donations		32,111
10 Factory Expenses	57,348	340,906
11 Gardning Expenses	126,000	90,000
12 Freight Expenses	12,407	5,529
13 Interest on Excise Duty	462	-
14 Interest to Creditors Expense	2,115	-
15 Interest on TDS	8,320	-
16 Interest on Vehicle Loan		46,750
17 Internet Expense	16,905	15,371
18 Kasar Vatav A/c		1,859
19 Legal And Professional expenses		11,000
20 Listing Fees		220,600
21 Loading Expenses	450	-
22 Office Expenses	109,304	61,103



23	Car Petrol Expenses	68,567	198,140
24	Postage,Telegram & Courier Exps	8,427	14,485
25	Printing & Stationery Expenses	10,975	63,565
26	Production expenses	88,000	50,000
27	Computer Repairing Expenses	18,843	3,065
28	Vehicle Repairs Expenses	56,292	28,740
29	Sales Commission Expense	72,571	-
30	Sales Promotion Exps		185,106
31	Telephone and Fax Expenses	47,602	59,717
32	Laboratory Testing Charges	122,132	218,701
33	Transportation Charges	20,665	106,511
34	Travelling Expenses	1,389	173,818
35	Web Designing Expenses	3,348	-
	Sub Total	985,970	2,295,130
	Total	1,310,676	3,129,777
	Particulars under Other Expenses		
	Payments to the auditors comprises :-	-	-
a	As auditors :-		
	For Current Year	18,000	29,998
	For Prior-Period	-	-
		18,000	29,998
b	For taxation matters	-	-
c	For company law matters	-	-
d	For management services	-	-
e	For other services	-	-
f	Reimbursement of expenses	-	-
	Total	18,000	29,998
	Note 23 : Prior Period Items		
	Sales Promotion Expenses		166,074
	Audit Fees	-	-
	Note 24 : Exceptional Items		
	ESIC Audit Penalty Expense	45,016	-
	Note 25 : Extra-Ordinary Items		
	Inter- Corporate Loans Written Off	-	-



SWORD AND SHIELD PHARMA LIMITED
ACCOUNTING YEAR : 2013-2014
GROUPINGS

SR. NO.	PARTICULARS	NOTE NO.	AS AT 31.3.2014 RS.
1	<u>Trade Payable</u>	4	
	<u>Other Than Acceptance</u>		
1	Anhil Caps		28,343
2	Aquatech Industries		3,738
3	Arch Pharmaceuticals		425,431
4	Arch Pharma Chemicals		4,000
5	Asian Flavours & Fragrances		4,463
6	Aurobindo Pharma Ltd.		3,526,068
7	Aurra Enterprise		18,040
8	Bahuchar Sales Agency		1,665
9	B.C.M.Corporation		7,414
10	Bharat Trading Co.		180
11	Concepts		44,155
12	CREDITORS - SUSPENSE		77,045
13	Deepen Drugs		80,675
14	Dev Polymers		7,426
15	Dipan Pharma Chem		19,638
16	Elite Packaging		2,467
17	G.H.Printers		22,476
18	Hari Om Agency		100,072
19	Hary Pack Pharma P.Ltd		46,794
20	J.P. Marketing		1,575
21	Jyoti Packaging		59,772
22	Komal Pharma		1
23	KRIP ART		75
24	Krishna Packaging		83,468
25	M.G.Pharma Supply Agencies		6,302
26	M/s. Amratlal Harivaldas		18,735
27	Pharma Supply Agencies		207,920
28	Pruthvi Pharma		2,913
29	Rakesh Chemical		4,166
30	River Print World		4,577
31	R.S.Foils Pvt.Ltd		32,681
32	Rutvik Pharma		26,181
33	Sandip Corporation		2,440
34	Saumil Bottle Trading Co.		84,751
35	S.B.Enterprise		41,526
36	Shital Pharma Chem		11,690
37	SHIVA TRADING		344,926
38	SHREEJI PACKAGING		2
39	SHREYA PRINTING		51,390



SWORD AND SHIELD PHARMA LIMITED
ACCOUNTING YEAR : 2013-2014
GROUPINGS

SR. NO.	PARTICULARS	NOTE NO.	AS AT 31.3.2014 RS.
40	Shri Parikh Pharma		7,152
41	Strong Strap Pvt Ltd		14,906
42	Sunil Healthcare Ltd		89,368
43	Suren Healthcare		70,248
44	Swastik Packaging		58,616
45	The Gitar Laboratories		27,166
46	Trio Pharma Chem		7,088
47	Ubex Polymer		100
48	Vaishali Agencies Pvt. Ltd		1,000
49	Veemee Pharma		6,876
50	Vijay Pet		951
51	Vishal Enterprise		18,522
52	Zeenish Pharma		15,687
	Total		5,722,861
2	<u>Other Current Liabilities</u>	5 (e)	
(a)	<u>Advance From Sundry Debtors</u>		
1	Appy Overseas Pvt Ltd		145,300
2	Aquila Labs		1,985
3	Bhagyoday Agencies		1,883
4	Eva Biotech Pvt Ltd		28,952
5	Healsure Life Sciences Pvt.Ltd		58,329
6	Karnavati Utility Services Pvt.Ltd.		21,171
7	Lincoln Pharmaceuticals Ltd.		158,736
8	Lincoln Pharmaceuticals Ltd (Genric)		24,784
9	Manibardt Helthcare		32,861
10	Riddhi Remedies Pvt Ltd		1,250,067
11	Sanjay Pharma Distributors		69
12	Sanjeevani Bio-Tech Exim Pvt. Ltd		14,590
13	Win Pharma		9,534
	Total		1,748,261



SR. NO.	PARTICULARS	NOTE NO.	AS AT 31.3.2014 RS.
(b)	<u>Payable On Purchase Of Fixed Asset</u>	5(j)(ii)	
1	Indian Ion Exchange		8,143
2	Metro Machinery Suppliers		1,909
3	V. care Pharma Engg. Services		117,700
	Total		127,752
(c)	<u>Expenses Pyable</u>	5(j)(v)	
1	ACME DIET CARE PVT LTD		11,250
2	Altra Analytical Laboratories		3,378
3	Anjanikumar C Shah & Co.		14,000
4	Baba Enterprises(Courier)		660
5	C.A. A.C. Brahmakshatriya		1,665
6	Chandrika Corporation		374
7	Creditors for Exp		7,530
8	Daywell Pharmaceuticals P.Ltd		800
9	Dhanlaxmp Printers		65,415
10	Dhruv Enterprises		901
11	Dhruv Printers		5,575
12	Ethos Caps		6,810
13	Garima Communication		4,583
14	Grownak Enterprise		1,080
15	Jaimesh Kumarpal		10,125
16	Jaini Electroc Works		6,695
17	Jay Print Care		9,910
18	K.Printo Pharma Chem		2,358
19	Kapadia Infotech		1,500
20	Khodiyar El. & Refrigeration		1,610
21	Lucky Motors		9,025
22	M R Gravure		4,178
23	M.P.Industries		1,470
24	M/s J.M. PANCHAL & CO.		500
25	Meghmani Unichem LLP		24,592
26	N. H. Rajput		13,000
27	N.N.Khatri		13,455
28	Narendra H.Rajput		3,500
29	New Shreeji Luggage Corner		2,700
30	NIYO PRINT PACK		18,756
31	Orbitz Corporate & Leisure Travels		4,000
32	Paschim Chemicals Pvt Ltd		1,936
33	Patel Electricals		2,743
34	PINGAKSH GRAPHIC		1,000



SWORD AND SHIELD PHARMA LIMITED
ACCOUNTING YEAR : 2013-2014
GROUPINGS

SR. NO.	PARTICULARS	NOTE NO.	AS AT 31.3.2014 RS.
35	R.K.Computer		700
36	Rajvee Infocare		3,850
37	Shiv Shakti Enterprise		3,581
38	Shree Cheharakrupa Xerox		375
39	Soni Rasmikant M.		400
40	Spidigo		8,802
41	Surface Plus		13,944
42	Swastik Water Suppliers		1,700
43	Tirupati Ofset		500
44	Uttar Gujarat Vij Co Ltd		10,114
45	Uve International		1,350
46	Vaibhav Analyticals Services		36,794
47	VARAHI GAS AGENCY		6,690
48	Very Well Industries		1,256
49	Vikas Trade Transport		5,055
	Total		352,185



SWORD AND SHIELD PHARMA LIMITED
ACCOUNTING YEAR : 2013-2014
GROUPINGS

SR. NO.	PARTICULARS	NOTE NO.	AS AT 31.3.2014 RS.
3	Trade Receivables <u>For a Period Exceeding Six Months</u>	9	
	<u>Doubtful</u>		
1	Akash Agency		6,999
2	Alpha Pharma Daman Pvt Ltd.		300,000
3	Animate Health Care		32,861
4	Asphodel Health Care		100,631
5	Beatle Healthcare		1,240
6	Dipali Shah		25,000
7	Dr.Brijesh Gajjar		720
8	Dr.Mili Shah		2,661
9	Goran Pharma Pvt Ltd		221,872
10	Gujarat Terce Laboratories Ltd.		296,859
11	Intas Pharmaceuticals Ltd		20,668
12	Lesioncare Pvt. Ltd		8,694
13	Mr. Nilesh Budgujar		5,620
14	Nectar Lifesciences Ltd		125,570
15	Neuron Pharma Pvt. Ltd		2,535
16	Nirma Ltd		6,213
17	Olcare Laboratories		2,146
18	Pharma Distributors		1,228
19	Polyvin Associates		6,586
20	Radix Organcis C/o.Jaykumar Bhagat		125,737
21	Shital Pharma		1,549
22	Shri Sai Marketing		762
23	Switzer Life Sciences Pvt. Ltd		43,278
24	Unnati Healthcare		155,314
25	Will Impex		12,645
	Total		1,507,388
4	<u>Other Trade Receivable</u> <u>Unsecured Considered Good</u>	9	
1	Akash Medical Agency		18,502
2	Ambica Corporation		14,850
3	Ambica Medical Store		3,931
4	Apex Pharmaceuticals		8,964
5	Apple Dent Oral Care Pvt. Ltd		2,845
6	Ashok Enterprise		10,895
7	ASSENT PHARMA		86
8	Auroville Labs		70,170



SWORD AND SHIELD PHARMA LIMITED
ACCOUNTING YEAR : 2013-2014
GROUPINGS

SR. NO.	PARTICULARS	NOTE NO.	AS AT 31.3.2014 RS.
9	Bhavi Medical		1,006
10	C.JESINGLAL & CO.		14,003
11	Desai Pharma		4,562
12	Dr Rajesh Ghotia		12,722
13	Flamingo Mould Plastics Pvt. Ltd.		208
14	Gayatri Pharma Distributor		15,638
15	Hardik Distributors		2,417
16	Hardik Medicines & Surgicals		17,911
17	Human Care Pharma		62,766
18	Jay Printers		18,553
19	John Biotech Pvt. Ltd		311,126
20	M.G.Pharma		35,500
21	Manan Pharma A Div.of BSA Mkt.P.Ltd		395,682
22	Manish Medical Corporation		20,339
23	Meher Pharma International		7,000
24	Misc Receivable		4,157
25	Mitul Pharmachem		10,027
26	Modi Pharma Agencies		14,993
27	Mr. Paras S Patel		8,340
28	Mr.Ramsinh Rajput		22,835
29	Mr.Shersinh Solanki(Retail Invoice)		36,982
30	Mrs.Sneha Prajapati		6,139
31	N.V.Life Care Pvt.Ltd.,		863
32	National Pharma Distributor		17,301
33	Nobles Medical Stores		107,710
34	Omross Pharma		54,818
35	Paras Distributors		36,129
36	Patel Medical Agencies		44
37	Pragna Medical Stores		900
38	Purvakh Shah		8,193
39	Right Way Print Pack		52,918
40	S. B. Pharma		74,661
41	Sahjanand Distributors		7,418
42	Samir Pharma		18,855
43	Sanjeevani Bio-Tech Pvt. Ltd		64,498
44	Shivam Distributor		1,287
45	Shree Distributors		76,023
46	Shree Distributors (Deposit)		2,920
47	Shree Parikh Pharma		6,106
48	Shree Parikh Trading		21,225
49	Shree Sarashwati Agency		39,003
50	Shyam Medical Agency		43,205

51	Shyam Printers	26,027
52	Smith Life Sciences Pvt Ltd	163,647
53	Troikaa Pharmaceuticals Ltd	78,645
54	Vishal Industries	270
55	WE CARE PHARMACY	20,011
56	West Coast Pharmaceuticals Works Ltd	1,456
Total		2,077,282



Sr. No.	Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
A	CASH FLOW FROM OPERATING ACTIVITIES		
I	Net Profit Before Tax and Extra Ordinary Items	(10,879,995)	(2,643,428)
II	Adjustments for :-		
1	Depreciation	1,691,253	1,996,385
2	Interest and Financial Charges	-	-
3	Miscellaneous Expenditure Written Off	-	-
4	Interest Income (-)	-	(226,496)
5	Profit on Redemption of Mutual Funds	-	-
6	Provision for Taxation earlier year written back/Tax for the year	-	-
7	Provision for doubtful debts	-	-
8	Deferred Tax Income (-)	-	-
III	Operating Profit Before Working Capital Changes	(9,188,742)	(873,539)
	Adjustments for :-		
1	Decrease/(Increase) in Current Assets other than Cash :-		
	(a) Inventories	3365563	349,450
	(b) Trade Receivables	285553	1,028,752
	© Short Term Loans and Advances	-154353	(297,767)
2	Increase/(Decrease) in Non-Current Liabilities	1824463	934,000
3	Increase/(Decrease) in Current Liabilities	3603340	(816,665)
	Net Cash from Operating Activities	(264,176)	324,231
B	CASH FLOW FROM INVESTING ACTIVITIES		
1	Sale of long term investments	-	-
2	Purchase of fixed assets (including Capital Work-in Progress)	-	(415,696)
3	Loans and Advances made to other parties	-	-
4	Pre-operative expenses	-	-
5	Miscellaneous expenses to the extent not written off	-	-
6	Adjustment for other trade payable (other payable)	-	-
7	Sale of fixed assets(Including Capital Work in Progress)	-	-
8	Interest and Dividend income received :- Interest Income	-	226,496
9	Tax deducted at source on interest & dividend income	-	-
10	Advance to subsidiary company	-	-
11	Purchase of short term investments (net after redemption)	-	-
12	Short term deposit with Companies (net)	-	-
13	Bills of exchange placed with Companies (net)	-	-
	Net Cash obtained / (Used) in Investment Activities	-	(189,200)
C	CASH FLOW FROM FINANCIAL ACTIVITIES		
1	Proceeds from long term borrowings	-	-
2	Proceeds form issue of shares (net of public issue expenses)	-	-
3	Refund of Shares Application Money	-	-
4	Repayment of term loan	-	-
5	Increase in Bank Borrowings (net)	-	-
6	Dividend paid	-	-
7	Other Borrowings	-	-
	Net Cash From/ (in) Financial Activities	-	-



Name of the Company : SWORD AND SHIELD PHARMA LTD.

Cash Flow Statement as at : 31 March, 2014

Sr. No.	Particulars	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
D	NET INCREASE / (DCREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(264,176)	135,031
E	OPENING CASH AND CASH EQUIVALENTS	312,377	177,346
F	CLOSING CASH AND CASH EQUIVALENTS (D+E)	48,201	312,377

For, SWORD AND SHIELD PHARMA LTD.

Place :- Ahmedabad
Date :- 30th May, 2014

Managing Director

Director

AUDITOR'S CERTIFICATE

I have examined the above Cash Flow Statement of Sword and Shield Pharma Limited for the year ended 31st March, 2014. The Statement have been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with Stock exchange and is based on and is in agreement with the Profit and Loss Statement and the Balance Sheet of the Company covered by my Report of 1st September, 2013 to the Members of the Company.

For, JANAK SONI & ASSOCIATES
CHARTERED ACCOUNTANTS
F.R.N. :- 121405W



C.A. Janakkumar S. Soni
(Proprietor)
M. No.110003

Place :- Ahmedabad
Date :- 30th May, 2014

SWORD AND SHIELD PHARMA LTD.
ACCOUNTING YEAR : 2013-2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PART-I : NOTES TO ACCOUNTING STANDARDS

1.0 SIGNIFICANT ACCOUNTING POLICIES

(a). Basis of Accounting :-

The Financial Statements are prepared in accordance with the requirements of the Companies Act , 1956 under the historical cost convention on an accrual basis unless otherwise stated and/or immaterial .

(b). Revenue Recognition:-

- (i). Revenue is recognized when it is reasonably certain that it will be received .
- (ii). Revenue from Sale of Goods is recognized when goods are dispatched and invoice is raised .
- (iii). Interest and other Income is recognised on realization basis rather than on accrual basis.

(c). Fixed Assets :-

Fixed Assets are shown at Cost less Depreciation .

(d). Depreciation :-

Depreciation is calculated on all the assets on Written down Value Method at the rates and manner specified under the Companies Act, 1956.

(e). Valuation of Inventories (AS 2) :-

- (i). Inventory is shown as certified by the Management of the Company and is relied upon by the Auditor.
- (ii). Inventory is valued at Cost or Market Value whichever is less .

(f). Retirement Benefits (AS 15) :-

All retirement benefits including Gratuity and Leave encashment will be recognized on cash basis. No Actuarial valuations has been made.

(g). Accounting for Taxes on Income (AS 22) :-

- (a) On account of losses, no provision for Current Income Tax Liability is required , as such no provision has beer made thereof.
- (b) Provision for Deferred Income Tax Liability has been made, as per AS 22.



(h). Contingent Liabilities :-

These are mentioned under the head Contingent Liabilities and Commitments (Note No. 13) as per Annexure 1 [Notes to and forming part of the financial statements (As per Schedule VI)(Revised)].

(i). Prior Period Items, and Extra-Ordinary Items :-

These are mentioned under the head Prior – Period Items (Note No. 25) and Extra-Ordinary Items (Note No. 27) as per Annexure 1 [Notes to and forming part of the financial statements (As per Schedule VI)(Revised)].

2.0 OTHER NOTES TO ACCOUNTING STANDARD

(a). Contingent Liabilities :-

As certified by the Management , there is no contingent liability.

(b). Related Party Disclosure (AS 18) :-

Related Party disclosure as Certified by the management and relied upon is as follows. :-

Sr. No.	Name	Relation	Nature of Payment	Total Rs.
1	Pravinbhai M. Patel	Director	Director's Remuneration	5,97,600
2	Jyotsnaben P. Patel	Director	Director's Remuneration	5,97,600
3	Probibhai Pravinbhai Patel	Director	Director's Remuneration	5,97,600
4	Probi Patel	Director	Unsecured loan : Closing balance	10,88,441
5	Pravinbhai M. Patel	Director	Unsecured Loan : Closing Balance	17,72,940

(c). Deferred Tax Asset / (Liability) as per AS – 22 :-

Sr. No.	Particulars	Current Year Rs.	Previous year Rs.
1	On account of Timing Difference	51,965	82,258
2	On account of Permanent Difference	16,481	61,239
	Total : Rs.	68,446	143,497

PART- II : NOTES AS PER SCHEDULE VI(REVISED)

As per Annexure – 1.



PART- III : OTHER NOTES

- (a). Balances of all the parties are subject to confirmations and reconciliations.
- (b). Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :-
Since, the company has no such information, disclosure has not been made.
- (c). Previous Year's figures have been re-grouped and re-arranged wherever considered necessary.
- (d). Immaterial items have been ignored on making disclosure.
- (e). Wherever external evidences were not available, reliance had been made on internal evidences and / or explanation provided by the management.

For, JANAK SONI & ASSOCIATES

Chartered Accountants

F.R.N. :- 121405W



C.A. Janakkumar S. Soni

Proprietor

M.No. 110003

Place : AHMEDABAD

Date : 30th May, 2014



For and on behalf of the Board of Directors



Director



Director

Place : AHMEDABAD

Date : 30th May, 2014

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]

CIN : L24231GJ1995PLC024809
Name of the Company : Sword & Shield Pharma Limited
Registered Office : 311, Rajkamal Plaza,
B/H High court,
Navrangpura,
Ahmedabad- 380 014

Name of the member(s) :
Registered address :
E-mail ID :
Folio No/ Client ID :
DP ID :

I / We, being the member(s) of shares of the above named Company, hereby appoint:

1. Name : _____
Address : _____
E-mail ID : _____
Signature : _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Tuesday, September 30, 2014 at 11:00 A. M. at 311, Rajkamal Plaza, B/H High court, Navrangpura, Ahmedabad- 380 014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

1. Adoption of Annual Accounts of the Company as on March 31, 2014 (Ordinary Resolution).
2. Appointment of Mrs. Jyotsnaben Patel, (DIN: 01877469) as Director who retires by rotation (Ordinary Resolution).
3. Appointment M/s. Janak soni & Associates, Chartered Accountants as Auditors of the Company and fixing their remuneration (Ordinary Resolution).

Signed this day of 2014.

Signature of Shareholder: _____

Signature of Proxy holder(s): _____

Affix Re. 1
Revenue Stamp

Note: 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.



ATTENDANCE SLIP

Full name of the member attending _____

Full name of the joint-holder _____

(To be filled in if first named Joint – holder does not attend meeting)

Name of Proxy _____

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the Annual General Meeting held at 311, Rajkamal Plaza, B/H High court, Navrangpura, Ahmedabad- 380 014 on Tuesday, September 30, 2014 at 11.00 A. M.

Folio No _____ DP ID No. * _____

Client ID No.* _____

*Applicable for members holding shares in electronic form.

No. of Share(s) held _____

Member's / Proxy's Signature