

**September 5, 2019**

**BSE Limited**

25<sup>th</sup> Floor, P J Towers,  
Dalal Street, Fort,  
Mumbai - 400 001  
Scrip Code: 531637

Dear Sirs,

**Sub. : Notice of the 24<sup>th</sup> Annual General Meeting along with Annual Report of the Company for the Financial Year 2018-19**

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith notice of 24<sup>th</sup> Annual General Meeting to be held on Monday, September 30, 2019 at 10:00 a.m. at 55, World Business House, Near Parimal Garden, Ambawadi, Ahmedabad - 380006 along with Annual Report of the Company for the Financial Year 2018-19.

Kindly take the same on your record.

Thanking You,

Yours Faithfully,

**For Sword and Shield Pharma Limited**



**Mukesh Chaudhary**  
Company Secretary &  
Compliance Officer



Encl. : Notice of the 24<sup>th</sup> Annual General Meeting along with Annual Report of the Company for the Financial Year 2018-19



Sword & Shield Pharma Ltd.

**SWORD & SHIELD PHARMA LIMITED**

**ANNUAL REPORT  
2018-19**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

## COMMITTEES OF THE BOARD

### AUDIT COMMITTEE

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

### NOMINATION AND REMUNERATION COMMITTEE

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

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

## AUDITORS

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

## SECRETARIAL AUDITOR

Ms. Payal Dhamecha

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Ankita Lunagariya

## REGISTERED OFFICE

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

## INVESTOR QUERIES

swordnshield1995@gmail.com

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### Important Communication to Members

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

## BOARD'S REPORT

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

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

### 1. FINANCIAL HIGHLIGHTS

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

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

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

### 2. FINANCIAL PERFORMANCE

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

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

### 3. NATURE OF BUSINESS

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

### 4. MATERIAL CHANGES AND COMMITMENTS

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

## **5. DIVIDEND**

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

## **6. SECRETARIAL STANDARDS**

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

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

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

## **8. CORPORATE GOVERNANCE**

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

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

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

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

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

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

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

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

## 12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

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

### **Retirement by rotation**

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

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

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

### **Board Independence**

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

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

## Declaration by Independent Directors

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

## Board and Committee Meetings and Procedures

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

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

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

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

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

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

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

## Number of Board Meetings

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

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



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

### Meeting of Independent Directors

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

### Key Managerial Personnel

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

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

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

### Policy on Director's Appointment and Remuneration

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

### Evaluation of Performance

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

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

## 13. COMMITTEES OF THE BOARD

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Performance Evaluation Criteria for Directors

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

## Sitting Fees

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

## Remuneration Policy

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

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

## c) Stakeholders' Relationship Committee of Board

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

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

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

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

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

Complaints received	Complaints disposed	Complaints Pending
0	0	0

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

## 14. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have 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 or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts for the year ended March 31, 2019 on going concern basis;
- e) The Directors have laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information relating to Conservation of Energy, Technology Absorption and Foreign Earning and Outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read together with Rule 8(3) of the Companies (Accounts) Rules, 2014 forms part of this Report as *Annexure I*.

#### **16. PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION**

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, who 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.

#### **17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

No related party transactions that were entered during the financial year. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Accordingly, the disclosure of related party transaction as require under Section 134(3)(h) of the Companies Act, 2013 in form AOC-2 is not applicable.

#### **18. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

There has not been an occasion in case of the Company during the year to transfer any sums to the Investor Education and Protection Fund.

## 19. AUDITORS

### Statutory Auditors

M/s. B. K. Patel & Co., Chartered Accountants (Firm Registration No. 112647W) Ahmedabad, are the Statutory Auditors of the Company for the year ended March 31, 2019.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the 20<sup>th</sup> Annual General Meeting, held on September 30, 2015 for 5 (Five) year term i.e. from the conclusion of 20<sup>th</sup> Annual General Meeting till the conclusion of 25<sup>th</sup> Annual General Meeting.

### Disclosure of total fees paid to Statutory Auditor, on a consolidated basis

During the Financial Year 2018-19 total amount of Rs. 120,000 paid to M/s. B. K. Patel & Co., Chartered Accountants (Firm Registration No. 112647W) Ahmedabad, Statutory Auditors of the Company, on consolidated basis.

### Audit Report

The Statutory Auditors of the Company have submitted Auditors' Report, which have certain Qualifications on the Financial Statements for the year ended on March 31, 2019.

Management's Explanation with the Auditor's Qualification:

In respect of the qualification with regards to a Deferred Tax Assets of Rs. 1024358.91 which is not realizable in view of want of convincing evidences for availability of taxable profit in near future for its realization / adjustment. Management's Explanation is as under:

Currently the Company is in the process of merger with Praveg Communications Limited. Company has filled petition to NCLT for Merger. Praveg Communications Limited (the Transferor Company) is a highly profitable entity as evident from its recent Audited Financial Statements. Hence, Company have view that Deferred Tax Assets would get realised against the future income, hence it is significant.

### Secretarial Auditor

The Board appointed M/s Payal Dhamecha (ACS No: 47303, COP No: 20411), Practicing Company Secretaries, Ahmedabad to conduct Secretarial Audit for the Financial Year 2018-19.

The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as *Annexure II* to this Report.

Secretarial Audit Report have qualification during the period of report and Management's Explanation on the Secretarial Auditor's Qualification is as following:

In respect of the qualification with regards to Appointment of Chief Financial Officer under section 203 of the Companies Act, 2013. Management's Explanation is as under:

Company was searching for suitable candidate for the position of Chief Financial Officer (Key Managerial Position), who must have experience to manage financial controls and ensure full transparency over the financial performance of the company. Company found Mr. Kirtikumar Sankarlal Patel suitable candidate for the position of Chief Financial Officer of the Company and he was appointed as CFO w.e.f. April 24, 2019.

## **20. 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.

## **21. DEPOSITS**

During the year, there is no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet. Hence there are no particulars to report about the deposit falling under Rule 8 (5)(v) and (vi) of Companies (Accounts) Rules, 2014.

## **22. LISTING AT STOCK EXCHANGE**

The Equity Shares of the Company continue to be listed on the BSE Limited.

## **23. SIGNING OF THE FINANCIAL STATEMENTS**

This is to inform you that the Company has approved and authenticated its Audited Financial Results for the year ended March 31, 2019 in the Board meeting duly held on May 30, 2019, which is well within the statutory time limits as prescribed in the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **24. SIGNIFICANT & MATERIAL ORDERS**

No significant or material orders have been passed against the Company by the Regulators, Courts or Tribunals, which impacts the going concern status and company's operations in future.

## **25. OTHER DISCLOSURES**

### **Share Capital**

The Paid-up Equity Share Capital as at March 31, 2019 stood at Rs. 515.06 lakhs. During the year under review, there were no changes which have taken place in the authorized and paid-up share capital of the Company.

Authorised Capital of the Company is Rs. 60000000 divided into 6000000 Equity Shares of Rs. 10 each and Paid-up Capital of the Company is Rs. 51506000 divided into 5150600 Equity Shares of Rs. 10 each.

### **Corporate Social Responsibility (CSR)**

Provisions of the Section 135 of the Companies Act, 2013 and the Rules framed thereunder are not applicable to the Company. Hence CSR report is not required to be annexed.

## **Particulars of Loan given, Investments made, Guarantee given and Security Provided**

Particulars of loan given, investments made, guarantees given and securities provided covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to the Financial Statements.

## **Internal Financial Controls**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.

## **Internal Control Systems**

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily.

## **Risk Management Policy**

The Board of Directors of the Company has put in place a Risk Management Policy which aims at enhancing shareholders' value and providing an optimum risk-reward trade off. The risk management approach is based on a clear understanding of the variety of risks that the organisation faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

## **Vigil Mechanism & Whistle Blower Policy**

The Company has a Vigil mechanism & Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be reported to the Vigilance & Ethics Officer which operates under the supervision of the Audit Committee, as protected disclosures through an e-mail, or dedicated telephone line or a written letter. Employees may also report directly to the Chairman of the Audit Committee. The said Policy is available on the website of the Company at <http://www.swordnshieldpharma.com/pdf/Whistle%20Blower%20Policy.pdf>.

## **Policy on Related Party Transactions**

The Board of the Company has adopted the Policy and procedure with regard to Related Party Transactions. The policy envisages the procedure governing the materiality of Related Party Transactions and dealing with Related Party transactions required to be followed by Company to ensure compliance with the Law and Regulation. The said Policy is available on the website of the Company at [www.swordnshieldpharma.com/pdf/Related%20Party%20Transaction%20Policy.pdf](http://www.swordnshieldpharma.com/pdf/Related%20Party%20Transaction%20Policy.pdf).

## **Prevention of 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 2\* Woman employee (Mrs. Jyotsnaben Patel - Executive Woman Director, who is holding the position in the Top Management Level and Ms. Pooja Kadam - Company Secretary and the Compliance Officer of the Company) and therefore there was no need to constitute an Internal Complaints Committee (ICC).



\*Ms. Ankita Lunagariya was appointed as the Company Secretary and the Compliance Officer of the Company w.e.f. March 20, 2019.

### **Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

## **26. GENERAL**

Directors of the Company states 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:

- i. Details relating to deposits covered under Chapter V of the Act.
- ii. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- iii. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- iv. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- v. Neither the Managing Director nor the Whole Time Director of the Company receives any remuneration or commissions from any of its subsidiaries.

## **27. GREEN INITIATIVES**

Electronic copies of the Annual Report 2018-19 and the Notice of the 24<sup>th</sup> Annual General Meeting are sent to all members whose email addresses are registered with the Company / depository participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode.

## **28. ACKNOWLEDGEMENTS**

Your directors wish to place on record and acknowledge their appreciation for the continued support and co-operation received from Government Authorities, lending institutions, and esteemed shareholders of the company. Directors also record their appreciation for the total dedication of the employees.

For and on behalf of the Board of Directors

Date : August 14, 2019  
Place : Ahmedabad

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

**Jyotsnaben Patel**  
*Director*  
DIN 01877469

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION,  
FOREIGN EXCHANGE AND OUTGO**

*[Disclosure under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of Companies (Accounts) Rules, 2014]*

**A. Conservation of Energy**

- i) Steps taken or impact on conservation of energy:  
Use of natural light through bigger windows, skylights, etc.  
Increase in power factor by using additional capacitors and automation in control panel.  
Monitoring and control of running time of compressors of air conditioners.  
Replacement of conventional copper chokes with energy-efficient electronic ballast.  
Replacement of older window air conditioners to star rated air conditioners for power saving.
- ii) Steps taken for utilization of alternate sources of energy:  
The Company has commenced use of LED lights to reduce energy consumption. Further, the Company has installed high efficiency lighting fixtures and old high-power consumption light fittings have been replaced by low power consumption light fittings.
- iii) Capital investment on energy conservation equipment:  
No significant capital investment is made on energy consumption equipment which can be quantified.

**B. Technology absorption**

- i) Efforts made towards technology absorption : Not Applicable
- ii) Benefits derived : Not Applicable
- iii) Details of Technology Imported in last three years
- a) Details of Technology imported : Not Applicable
- b) Year of import : Not Applicable
- c) whether the technology been fully absorbed : Not Applicable
- d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof : Not Applicable
- iv) Expenditure incurred on Research and Development : Not Applicable

**C. Foreign Exchange Earnings and Outgo**

During the Financial Year, the foreign exchange earned in terms of actual inflows was NIL, whereas the foreign exchange in terms of actual outflows was NIL.

For and on behalf of the Board of Directors

Date : August 14, 2019  
Place : Ahmedabad

**Pravinbhai Patel**  
Managing Director  
DIN 01877446

**Jyotsnaben Patel**  
Director  
DIN 01877469

## SECRETARIAL AUDIT REPORT

### Form No. MR-3

For the financial year ended 31<sup>st</sup> March, 2019

*[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**  
55, World Business House,  
Near Parimal Garden,  
Ambawadi, Ahmedabad - 380 006

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, minute 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 31<sup>st</sup> March, 2019, 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 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;
  - 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 Companies Act, 2013.*

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;
- 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

**Payal Dhamecha**

*Practicing Company Secretary*

ACS No: 47303, COP No: 20411

Place : Ahmedabad

Date : August 14, 2019

Note : This report is to be read with our letter of even date which is annexed as Annexure - A and Annexure - B an integral part of this report.

**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

To,  
The Members,  
**Sword & Shield Pharma Limited**  
55, World Business House,  
Near Parimal Garden,  
Ambawadi, Ahmedabad - 380 006

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.

**Payal Dhamecha**

*Practicing Company Secretary*  
ACS No: 47303, COP No: 20411

Place : Ahmedabad  
Date : August 14, 2019



# MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

## Industry Overview

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.

## Opportunities and Threat

The Company has made an application for the Scheme of Arrangement in the nature of Amalgamation to BSE Limited between Praveg Communications Limited and the Company. The application made by the Company is approved by BSE Limited and is now pending for 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.

If the application of Amalgamation is not approved by the National Company Law Tribunal, Ahmedabad (NCLT) 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 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 lie 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.

## 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.

### **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.

### **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.

### **Internal control systems and their adequacy**

The Company has a proper and adequate system of internal financial controls, commensurate with its size and business operation. It ensures timely and accurate financial reporting in accordance with applicable accounting standards, safeguarding of assets against unauthorized use or disposition and compliance with all applicable regulatory laws and Company policies.

Internal Auditors of the Company review the internal financial control systems on a regular basis for its effectiveness, and necessary changes and suggestions are duly incorporated into the system. Internal audit reports are also reviewed by the Audit Committee of the Board.

### **Financial Performance**

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

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

### **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.

## Cautionary Statement

The above Management Discussion and Analysis contains certain forward-looking statements within the meaning of applicable security laws and regulations. These pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulation etc. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future or update any forward-looking statements made from time to time on behalf of the Company.

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of **SWORD AND SHIELD PHARMA LIMITED** which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the standalone financial statements")

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard Rules) 2015, as amended and other accounting principles generally accepted in India ***subject to a Deferred Tax Assets of Rs. 10,24,358.91 which is not realizable in view of want of convincing evidences for availability of taxable profit in near future for its realization / adjustment***, of the financial position of the Company as at 31 March, 2019, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis of Opinion

We conducted our audit of the standalone financial statements 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. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 standalone 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Going Concern**

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for audit of the standalone Financial Statements**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 standalone financial statements.

### **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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019, 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, our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting, and
- 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 standalone 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.

**For B. K. PATEL & CO**  
*Chartered Accountants*  
Firm Reg. No.112647W

**K. D. Patel**  
*Partner*  
M. No. 39919

Place : Ahmedabad  
Date : May 30, 2019

## **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)

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**(i) In respect of its fixed assets:**

As the Company has no fixed assets during the year, accordingly clause (a) (b) and (c) of the paragraph 3(i) of the Order is not applicable.

**(ii) In respect of its inventories:**

As the Company has no inventory of any kind during the year, 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 and 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 applicable to it, were in arrears, as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.

(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 year.

(xi) According to information and explanation given to us and based on our examination of the records of the Company, the Company has not paid for managerial remuneration accordingly paragraph 3(xi) of the Order is not applicable.



- (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, there were no transactions with the related parties accordingly paragraph 3(xiii) of the Order is not applicable.
- (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 transactions with directors or persons connected with him, accordingly paragraph 3(xv) of the Order is not applicable.
- (xvi) In our opinion and according 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.

**For B. K. PATEL & CO**  
*Chartered Accountants*  
Firm Reg. No.112647W

Place : Ahmedabad  
Date : May 30, 2019

**K. D. Patel**  
*Partner*  
M. No. 39919

## **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)

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### **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 31<sup>st</sup> March, 2019 in conjunction with our audit of the standalone 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.

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.

#### **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 31<sup>st</sup> March, 2019, 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.

**For B. K. PATEL & CO**  
*Chartered Accountants*  
Firm Reg. No.112647W

Place : Ahmedabad  
Date : May 30, 2019

**K. D. Patel**  
*Partner*  
M. No. 39919

**Balance Sheet** as at March 31, 2019

Amount in Rs.

Particulars	Notes	As at 31/03/2019	As at 31/03/2018
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment		0.00	0.00
Other Non-current Assets		0.00	0.00
Deferred Tax Assets (Net)		1024358.91	1024358.91
<b>Total Non-current Assets</b>		<b>1024358.91</b>	<b>1024358.91</b>
<b>Current Assets</b>			
Inventories		0.00	0.00
Trade Receivables	3	0.00	0.00
Financial Assets			
Cash and Cash Equivalents	4	132173.64	1087453.64
Loans	5	22501.00	14473.00
Other Current Assets		0.00	0.00
<b>Total Current Assets</b>		<b>154674.64</b>	<b>1101926.64</b>
<b>Total Assets</b>		<b>1179033.55</b>	<b>2126285.55</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity Share Capital	6	51506000.00	51506000.00
Other Equity	7	-50434966.45	-49593762.45
<b>Total Equity</b>		<b>1071033.55</b>	<b>1912237.55</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
Borrowings	8	0.00	0.00
<b>Total Non-current Liabilities</b>		<b>0.00</b>	<b>0.00</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Trade Payables	9	0.00	50224.00
Other Current Liabilities	10	108000.00	163824.00
<b>Total Current Liabilities</b>		<b>108000.00</b>	<b>214048.00</b>
<b>Total Liabilities</b>		<b>108000.00</b>	<b>214048.00</b>
<b>Total Equity and Liabilities</b>		<b>1179033.55</b>	<b>2126285.55</b>

See accompanying notes to the financial statements

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

In terms of our report of even date attached  
**For, B. K. PATEL & CO**  
Chartered Accountants  
Firm's Reg. No:112647W

**Pravinbhai Patel**  
Managing Director  
DIN 01877446

**Jyotsnaben Patel**  
Director  
DIN 01877469

**Ankita Lunagariya**  
Company Secretary  
Mem. No. 55112

**K D Patel**  
Partner  
M No 39919

Pennsylvania  
May 30, 2019

Ahmedabad  
May 30, 2019

**Statement of Profit and Loss** for the year ended March 31, 2019

Amount in Rs.

Particulars	Notes	Year ended 31/03/2019	Year ended 31/03/2018
<b>Revenue</b>			
Revenue from operations	11	193412.00	289462.00
Other Income	12	44789.00	5785.00
<b>Total Income</b>		<b>238201.00</b>	<b>295247.00</b>
<b>Expenses</b>			
Employee Benefit Expense	13	356398.00	453943.00
Finance Costs	14	2460.00	4619.00
Depreciation and Amortisation Expense		0.00	0.00
Other Expenses	15	720547.00	1403328.90
<b>Total Expenses</b>		<b>1079405.00</b>	<b>1861890.90</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(841204.00)</b>	<b>(1566643.90)</b>
<b>Exceptional items</b>		<b>0.00</b>	<b>0.00</b>
<b>Prior Period Items</b>	16	0.00	40000.00
<b>Profit / (Loss) before tax</b>		<b>(841204.00)</b>	<b>(1606643.90)</b>
<b>Tax Expense:</b>			
Current Tax		0.00	0.00
Deferred Tax		0.00	0.00
<b>Profit / (Loss) after tax</b>		<b>(841204.00)</b>	<b>(1606643.90)</b>
<b>Other Comprehensive Income</b>			
Other Comprehensive Income		0.00	0.00
Other Comprehensive Income (After Tax)		0.00	0.00
<b>Total comprehensive income for the year</b>		<b>(841204.00)</b>	<b>(1606643.90)</b>
<b>Earnings Per Equity Share (in Rs.)</b>			
Basic and Diluted	17	(0.16)	(0.31)

See accompanying notes to the financial statements

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## Statement of changes in equity (SOCIE) for the year ended March 31, 2019

### A. Equity Share Capital

Amount in Rs.

Particulars	No. Shares	Amount
<b>Issued, Subscribed and Paid Up Capital</b>		
Equity shares of Rs 10/- each		
<b>Balance as at March 31, 2018</b>		
At the beginning of the Year - Fully Paid Up	5150600.00	51506000.00
At the beginning of the Year - Partly Paid Up	0.00	0.00
<b>Changes in equity share capital during the year</b>	0.00	0.00
<b>Balance as at March 31, 2019</b>	<b>5150600.00</b>	<b>51506000.00</b>

### B. Other Equity

Amount in Rs.

Particulars	Reserves and Surplus	Total Amount
	Retained Earnings	
<b>Balance as at March 31, 2018</b>	<b>(49593762.45)</b>	<b>(49593762.45)</b>
Profit / (Loss) for the period	(841204.00)	<b>(841204.00)</b>
Other comprehensive income	0.00	0.00
<b>Total Comprehensive Income / (loss) for the period</b>	<b>(841204.00)</b>	<b>(841204.00)</b>
<b>Balance as at March 31, 2019</b>	<b>(50434966.45)</b>	<b>(50434966.45)</b>

See accompanying notes to the financial statements

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

In terms of our report of even date attached  
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## Cash Flow Statement for the year ended March 31, 2019

Amount in Rs.

Particulars	For the year 2018-19	For the year 2017-18
<b>(A) Cash Flow from Operating Activities:</b>		
Net Profit Before Tax	<b>(841204.00)</b>	<b>(1606643.90)</b>
<b>Non-Cash Adjustment to reconcile Profit Before Tax to Net Cash Flows</b>		
Interest Income	(647.00)	(2000.00)
Interest Expense	2460.00	4619.00
<b>Operating Profit Before Working Capital Changes</b>	<b>(839391.00)</b>	<b>(1604024.90)</b>
<b>Movement in Working Capital:</b>		
Increase/(Decrease) in Trade Payables	(50224.00)	50224.00
Increase/(Decrease) in Other Current Liabilities	(55824.00)	(287719.00)
Decrease/(Increase) in Trade Receivables	0.00	20150.00
<b>Cash Generated from / (used in) Operating Activities</b>	<b>(945439.00)</b>	<b>(1821369.90)</b>
Direct Taxes Paid (net)	0.00	0.00
<b>Nat Cash from Operating Activities (A)</b>	<b>(945439.00)</b>	<b>(1821369.90)</b>
<b>(B) Cash Flow from Investing Activity:</b>		
Increase/(decrease) in Short Term Loans & Advances	(8028.00)	166134.00
Interest Received	647.00	2000.00
<b>Net Cash from Investing Activities (B)</b>	<b>(7381.00)</b>	<b>168134.00</b>
<b>(C) Cash Flow from Financial Activities:</b>		
Change in paid up share capital	0.00	4886830.00
Change in long Term Borrowings	0.00	(2883000.00)
Interest Paid	(2460.00)	(4619.00)
<b>Net Cash Flow from / (used in) Financing Activities (C)</b>	<b>(2460.00)</b>	<b>1999211.00</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(955280.00)</b>	<b>345975.10</b>
Add: Opening Cash & Cash Equivalents	1087453.64	741478.54
Add/Less: Foreign Exchange Fluctuation	0.00	0.00
<b>Closing Cash &amp; Cash Equivalents</b>	<b>132173.64</b>	<b>1087453.64</b>
<b>Notes to Statement of Cash Flows</b>		
Cash & Cash Equivalents including		
Cash & Cheque on Hand	71896.00	67076.00
Balances with Scheduled Banks		
In Current Accounts	60277.64	1020377.64
	<b>132173.64</b>	<b>1087453.64</b>

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

In terms of our report of even date attached  
**For, B. K. PATEL & CO**  
Chartered Accountants  
Firm's Reg. No:112647W

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**K D Patel**  
Partner  
M No 39919

Pennsylvania  
May 30, 2019

Ahmedabad  
May 30, 2019

## Notes to financial statements for the year ended on March 31, 2019

### 1. Corporate information

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. Significant accounting policies

#### 2.1 Basis of preparation

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provision of the Act.

The Financial Statements are presented in INR.

#### 2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

#### 2.3 Summary of significant accounting policies

##### a. Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



## **b. Financial assets**

### **Initial recognition and measurement**

All financial assets, except investment in subsidiaries and associates are recognised initially at fair value.

### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified:

#### **i) At amortised cost**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as financial assets at fair value through profit or loss or financial assets available-for-sale. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses. These include trade receivables, finance receivables, balances with banks, short-term deposits with banks, other financial assets and investments with fixed or determinable payments.

#### **ii) At fair value through profit or loss (FVTPL)**

Financial assets which are not measured at amortised cost are measured at FVTPL. Fair value changes related to such financial assets including derivative contracts like forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, are recognised in the statement of profit and loss.

### **Derecognition**

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

### **Impairment of Financial assets**

A financial asset is assessed at each reporting date to determine whether there is an objective evidence which indicates that it is impaired. A financial asset is considered to be impaired if an objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset.

The Company applies expected credit loss (ECL) model for measurement of impairment loss on the following:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities,
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cashflows that the Company expects to receive, discounted at the original

EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense / (income) in the statement of profit and loss.

### **c. Financial liabilities and equity instruments**

#### **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

#### **Financial liabilities**

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

#### **Financial liabilities at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

#### **Financial liabilities at FVTPL**

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's

Fair value changes related to such financial liabilities including derivative contracts like forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, are recognised in the statement of profit and loss.

#### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an

existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### **d. Inventories**

Inventories are stated at the lower of weighted average cost or net realisable value. Costs include all non-refundable duties and all charges incurred in bringing the goods to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

#### **e. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company- has identified twelve months as its operating cycle.

#### **f. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

The Company- uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's - accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **g. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income is accounted for on an accrual basis.

#### **h. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

#### **i. Taxation**

Tax on Income comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

##### **Current Tax**

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to

situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax**

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilised. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### **j. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

#### **k. Impairment**

##### **Impairment of tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount

rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## **I. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

There are no significant key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### **i) Fair value measurement of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using ECL model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### **ii) Taxes**

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Deferred tax assets recognised to the extent of the corresponding deferred tax liability.

### **iii) Going concern**

The Company evaluates its working capital position for the ensuing financial year based on the projected cash flow statement. The Company plans to meet the financial obligations by further issuance of equity shares, rescheduling of dues from certain related parties, increased borrowing from financial institutions and continuing financial support from a related party. Having regard to the above, the financial statements have been prepared by the Management of the Company on a going concern basis.

## Notes to financial statements for the year ended on March 31, 2019

### 3. Trade Receivables

Amount in Rs.

Particulars	As at 31/03/2019	As at 31/03/2018
<b>Other Trade receivables</b>		
Unsecured, considered good	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

### 4. Cash and Cash Equivalentents

Amount in Rs.

Particulars	As at 31/03/2019	As at 31/03/2018
<b>Balances with banks</b>		
In current accounts	60277.64	1020377.64
<b>Cash on hand</b>	71896.00	67076.00
<b>Total</b>	<b>132173.64</b>	<b>1087453.64</b>

### 5. Loans

Amount in Rs.

Particulars	As at 31/03/2019	As at 31/03/2018
<b>Prepaid expenses - Unsecured &amp; considered good</b>	-	-
Advance Income Tax (Including TDS)	60277.64	1020377.64
GST Receivable	71896.00	67076.00
<b>Other Receivables</b>		
Unsecured, considered good	1000.00	0.00
<b>Total</b>	<b>22501.00</b>	<b>14473.00</b>

### 6. Equity Share Capital

Amount in Rs.

Particulars	As at 31/03/2019	As at 31/03/2018
<b>Authorised Share Capital</b>		
6000000 Equity Shares of Rs. 10/- each	60000000.00	60000000.00
	<b>60000000.00</b>	<b>60000000.00</b>
<b>Issued, Subscribed and Fully paid-up equity shares</b>		
5150600 fully paid up Equity Shares of Rs. 10/- each	51506000.00	51506000.00
977366 Equity Shares of Rs. 10/- each partly paid up	0.00	0.00
<b>Total</b>	<b>51506000.00</b>	<b>51506000.00</b>

#### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at 31/03/2019	As at 31/03/2019	As at 31/03/2018	As at 31/03/2018
	No. of Shares	(Rs.in INR)	No. of Shares	(Rs.in INR)
At the beginning of the Year -Fully Paid Up	5150600	51506000	4173234	41732340
At the beginning of the Year -Partly Paid Up			977366	4886830
Add: Additional during the year				

Add: 977366 Partly paid up shares called during the year & made fully paid up				4886830
Outstanding at the end of the year	<b>5150600</b>	<b>51506000</b>	<b>5150600</b>	<b>46619170</b>

#### b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### c. Details of shareholders holding more than 5% shares in the Company

Particulars	As at	As at	As at	As at
	31/03/2019	31/03/2019	31/03/2018	31/03/2018
	No. of Shares	% of holding in class	No. of Shares	% of holding in class
Equity shares of Rs.10 each fully paid	0	0.00	0	0.00
<b>Total</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

#### 7. Other Equity

Amount in Rs.

Particulars	As at	As at
	31/03/2019	31/03/2018
<b>Surplus / (Deficit) in the Statement of Profit and Loss</b>		
Opening Balance	(49593762.45)	(47987118.55)
Add: Profit / (Loss) for the period	(841204.00)	(1606643.90)
Closing Balance	<b>(50434966.45)</b>	<b>(49593762.45)</b>
<b>Total</b>	<b>(50434966.45)</b>	<b>(49593762.45)</b>

#### 8. Borrowings

Amount in Rs.

Particulars	As at	As at
	31/03/2019	31/03/2018
<b>Unsecured Borrowings</b>		
Loan from related parties	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

#### 9. Trade Payables

Amount in Rs.

Particulars	As at	As at
	31/03/2019	31/03/2018
<b>Trade Payables</b>		
- Micro and Small Enterprises	0.00	0.00
- Other than Micro and Small Enterprises	0.00	50224.00
<b>Total</b>	<b>0.00</b>	<b>50224.00</b>

#### 10. Other Current Liabilities

Amount in Rs.

Particulars	As at	As at
	31/03/2019	31/03/2018
Statutory liabilities	0.00	55824.00
Outstanding Expenditures	108000.00	108000.00
<b>Total</b>	<b>0.00</b>	<b>50224.00</b>



## 11. Revenue from Operations

Amount in Rs.

Particulars	Year ended 31/03/2019	Year ended 31/03/2018
<b>Sale of services</b>		
Commission for Pharma Products	193412.00	289462.00
<b>Total</b>	<b>193412.00</b>	<b>289462.00</b>

## 12. Other Income

Amount in Rs.

Particulars	Year ended 31/03/2019	Year ended 31/03/2018
<b>Interest Income</b>		
Interest income on Tax Refund	193412.00	289462.00
<b>Other non-operating Income</b>		
Kasar & Rate Diff	318.00	3785.00
Liabilities written off	43824.00	0.00
<b>Total</b>	<b>193412.00</b>	<b>289462.00</b>

## 13. Employee Benefit Expense

Amount in Rs.

Particulars	Year ended 31/03/2019	Year ended 31/03/2018
Directors' Remuneration	0.00	0.00
Salaries and wages	356398.00	453943.00
Contributions to provident and other funds	0.00	0.00
<b>Total</b>	<b>356398.00</b>	<b>453943.00</b>

## 14. Finance Costs

Amount in Rs.

Particulars	Year ended 31/03/2019	Year ended 31/03/2018
<b>Interest expense on</b>		
Interest on Income Tax & TDS	2383.00	1746.00
Other Interest	77.00	2283.00
Bank Commission Charges	0.00	590.00
<b>Total</b>	<b>2460.00</b>	<b>4619.00</b>

## 15. Other Expenses

Amount in Rs.

Particulars	Year ended 31/03/2019	Year ended 31/03/2018
<b>Establishment Expenses</b>		
(other than considered as finance cost)		
Advertisement & Web Site Expenses	29275.00	13876.00
Excise Expense / Penalty	0.00	0.00
Income Tax Expense	0.00	64605.00
Insurance Expense	0.00	657.00
GST Return late fee	700.00	0.00
Legal and Professional Fees	190212.00	808049.90
Office & Other Misc Expense	25090.00	23683.00

Payments to auditors (Refer Note)	120000.00	120000.00
Postage & Courier Expense	0.00	0.00
Printing and Stationery Expense	270.00	0.00
Rate & Taxes	0.00	4800.00
Repairs and maintenance - Others	0.00	0.00
Office Rent Exp	60000.00	60000.00
Stock Exchange Fees	295000.00	236593.00
Kasar & Write Off	0.00	71065.00
<b>Total</b>	<b>720547.00</b>	<b>1403328.90</b>

<b>PAYMENT TO AUDITORS</b>		
(net of service tax input credit, where applicable)		
For Statutory Audit	75000.00	75000.00
For Other Services	45000.00	45000.00
<b>Total</b>	<b>120000.00</b>	<b>120000.00</b>

#### 16. Prior Period Items

Amount in Rs.

Particulars	Year ended 31/03/2019	Year ended 31/03/2018
Prior Period Expenses	0.00	40000.00
<b>Total</b>	<b>0.00</b>	<b>40000.00</b>

#### 17. Pursuant to the Indian Accounting Standard 33 - Earning per Share, the disclosure is as under:

Basic and Diluted EPS	UOM	Year ended 31/03/2019
Profit/ (Loss) attributable to equity shareholders	Rs.	(841204.00)
Weighted average number of equity shares outstanding during the year	No.	5150600
Nominal Value of equity share	Rs.	10.00
<b>Basic and Diluted EPS</b>	<b>Rs.</b>	<b>(0.16)</b>

#### 18. Fair Value Measurement

a) The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

Particulars	Fair Value through other Comprehensive income	Fair Value through Profit or Loss	Amortised Cost	Total
<b>Financial Assets</b>				
Investments	0.00	0.00	0.00	<b>0.00</b>
Cash and Cash Equivalents	0.00	0.00	132174.00	<b>132174.00</b>
Other Financial Assets	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>132174.00</b>	<b>132174.00</b>
<b>Financial Liabilities</b>				
Borrowings	0.00	0.00	0.00	<b>0.00</b>
Trade Payable	0.00	0.00	0.00	<b>0.00</b>
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## 19. Related Party Transactions

### a) List of related parties and relationship

Description of relationship	Name of Related Parties
Key Managerial Person	Shri Pravinbhai M Patel

### b) Transaction with Related Parties:

Particulars	Amount in Rs.	
	Year ended 31/03/2019	
<b>Nature of Transaction with Related Parties:</b>		
Subscription to Share Capital		0.00
Loan taken		0.00
Loan repaid		0.00

## Notes to financial statements for the year ended on March 31, 2019

### c) Transaction with Related Parties:

Particulars	Amount in Rs.	
	Year ended 31/03/2019	
<b>Balances with Related Parties:</b>		
Borrowings (Loan)		0.00

## 20. Approval of financial statements

The financial statements were approved for issue by the board of directors on May 30, 2019.

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

In terms of our report of even date attached  
**For, B. K. PATEL & CO**  
Chartered Accountants  
Firm's Reg. No:112647W

**Pravinbhai Patel**  
Managing Director  
DIN 01877446

**Jyotsnaben Patel**  
Director  
DIN 01877469

**Ankita Lunagariya**  
Company Secretary  
Mem. No. 55112

**K D Patel**  
Partner  
M No 39919

Pennsylvania  
May 30, 2019

Ahmedabad  
May 30, 2019

## NOTICE

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Notice is hereby given that the **24<sup>th</sup> Annual General Meeting** of the Members of **Sword and Shield Pharma Limited** will be held on Monday, September 30, 2019 at 10:00 a.m. at 55, World Business House, Near Parimal Garden, Ambawadi, Ahmedabad - 380 006 to transact the following businesses:

### ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint Mrs. Jyotsnaben Patel, who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Jyotsnaben Patel (DIN: 01877469), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

By order of the Board of Directors

Date : August 14, 2019  
Place : Ahmedabad

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

Registered Office  
55, World Business House, Near Parimal Garden,  
Ambawadi, Ahmedabad - 380 006  
CIN: L24231GJ1995PLC024809 | Phone: +91 9712928420  
Email: swordnshield1995@gmail.com | Website: www.swordnshieldpharma.com

## NOTES

1. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A 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 a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Annual General Meeting. Attendance Slip, Proxy Form and the Route Map of the venue of the Meeting are annexed hereto.**

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send certified copy of Board Resolution or other governing body authorizing their representatives to attend and vote on their behalf at the meeting.
3. Members / proxies / authorized representatives should bring their copy of the Annual Report and Accounts along with duly filled Attendance Slip enclosed herewith to attend the Meeting.
4. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID Numbers and those who hold shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of Names will be entitled to vote.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ('the Act') and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the Annual General Meeting.
7. The Register of Beneficial Owners, Register of Members and Share Transfer Book of the Company shall remain closed from Monday, the September 23, 2019 to Monday, September 30, 2019 (both days inclusive) for the purpose of 24<sup>th</sup> Annual General Meeting.
8. The Annual Report 2018-19, the Notice of the 24<sup>th</sup> Annual General Meeting and instructions for e-voting, along with the attendance slip and proxy form, are being sent by electronic mode to members whose email addresses are registered with the Company / depository participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies are being sent by the permitted mode.
9. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting, held on September 30, 2015.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to MCS Share Transfer Agent Limited.
11. As per Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in physical form may submit the same to MCS Share Transfer Agent Limited. Members holding shares in electronic form may submit the same to their respective depository participant.
12. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days, except Saturday between 11:00a.m. to 01:00p.m. prior to the date of 24<sup>th</sup> Annual General Meeting of the Company.
13. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long period of time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
14. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that Notice of 24<sup>th</sup> Annual General Meeting and the Annual Report 2018-19 will also be available on the Company's website viz. [www.swordnshieldpharma.com](http://www.swordnshieldpharma.com).
15. Any member desiring any clarification/explanation in respect of the information given in this annual report is requested to submit query to the company at least 10 days in advance before the meeting so as to enable the management to keep information ready.
16. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
17. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs or RTA of the Company.
18. Additional Information, pursuant to Regulation 36 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment / reappointment at the AGM, forms part of the Notice.
19. 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 from time to time, and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in this Notice. The instructions for e-voting are annexed to the Notice. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

20. The Board has appointed Mr. Anand Lavingia, Practicing Company Secretary (Membership No. ACS 26458, COP 11410) as the Scrutinizer to scrutinize the e-voting / ballot process in a fair and transparent manner.
21. The e-voting period commences on Thursday, September 26, 2019 at 9:00 a.m. and ends on Sunday, September 29, 2019 at 5:00 p.m. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the Cut-off date i.e. September 23, 2019, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-voting module will be disabled by NSDL for voting thereafter. The voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off date i.e. September 23, 2019. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
22. The facility for voting through ballot papers will also be made available at the AGM and the 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 process. The Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.
23. If Members are opting for remote e-voting, they shall not vote by poll paper and vice versa. However, in case Members cast their vote both by poll paper and by remote e-voting, then voting done through remote e-voting shall prevail and voting done by poll paper will be treated as invalid.
24. The Scrutinizers shall immediately after the conclusion of the voting at the 24<sup>th</sup> Annual General Meeting, first count the votes of the valid poll paper cast at AGM. They shall then proceed to unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizers thereafter shall submit their report to the Chairperson or a person authorized by him in writing, who shall countersign the same. The result of the voting along with the Scrutinizer's report will be announced within forty-eight hours of the conclusion of the 24<sup>th</sup> Annual General Meeting at the Registered Office of the Company.
25. The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.swordnshieldpharma.com](http://www.swordnshieldpharma.com) and on the website of NSDL and shall also be intimated to the BSE Limited, where shares of the Company are listed.
26. The route map of the venue of the Annual General Meeting is appended to this Report. The prominent landmark near the venue is Parimal Garden.
27. A detailed list of instructions for e-voting is annexed to this Notice.

By order of the Board of Directors

Date : August 14, 2019  
Place : Ahmedabad

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

Registered Office  
55, World Business House, Near Parimal Garden,  
Ambawadi, Ahmedabad - 380 006  
CIN: L24231GJ1995PLC024809 | Phone: +91 9712928420  
Email: [swordnshield1995@gmail.com](mailto:swordnshield1995@gmail.com) | Website: [www.swordnshieldpharma.com](http://www.swordnshieldpharma.com)

## Additional Information of Director recommended for appointment / re-appointment

(Pursuant to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

### 1. Mrs. Jyotsnaben Patel

Age	:	62 Years
Date of Appointment on the Board	:	February 28, 1995
Qualification	:	Graduate of Arts
Nature of Expertise in functional areas	:	Mrs. Jyotsnaben Patel, a first-generation entrepreneur is the Director of the Company since February 28, 1995 and heads the Administration Division of the Company and is having a vast experience in the field of Administration.
Terms and conditions of Appointment	:	Mrs. Jyotsnaben Patel was appointed as Executive Director, liable to retire by rotation
Shareholding in the Company as on March 31, 2019	:	110600 Equity Shares
Relationship with other Directors / Key Managerial Personnel	:	Spouse of Mr. Pravinbhai Patel and not related to any other Director / Key Managerial Personnel
Number of meetings of the Board attended during the year	:	6
Directorships of other Boards as on March 31, 2019	:	NIL
Membership / Chairmanship of Committees of other Boards as on March 31, 2019	:	NIL

By order of the Board of Directors

Date : August 14, 2019  
Place : Ahmedabad

**Pravinbhai Patel**  
Managing Director  
DIN 01877446

Registered Office  
55, World Business House, Near Parimal Garden,  
Ambawadi, Ahmedabad - 380 006  
CIN: L24231GJ1995PLC024809 | Phone: +91 9712928420  
Email: swordnshield1995@gmail.com | Website: www.swordnshieldpharma.com



## Instructions for e-voting

In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and Section 108 of the Companies Act, 2013, read with the related Rules, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their votes electronically. The Company has engaged the services of National Securities Depository Limited (NSDL) for the purpose of providing e-voting facility to all its members.

The detailed instructions for e-voting are as follows:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is
For Members who hold shares in demat account with <b>NSDL</b> .	8 Character DP ID followed by 8 Digit Client ID  For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
For Members who hold shares in demat account with <b>CDSL</b>	16 Digit Beneficiary ID  For example, if your Beneficiary ID is 12***** then your user ID is 12*****
For Members holding shares in <b>Physical</b> Form	EVEN Number followed by Folio Number registered with the company  For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password
  - c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. SSPL.pdf file. Open the SSPL.pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The SSPL.pdf file contains your 'User ID' and your 'initial password'
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
10. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
11. Select "EVEN" of company for which you wish to cast your vote.
12. Now you are ready for e-Voting as the Voting page opens.
13. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
14. Upon confirmation, the message "Vote cast successfully" will be displayed.
15. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
16. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the 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 the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### Contact Details

Company	<b>Sword and Shield Pharma Limited</b> 55, World Business House, Near Parimal Garden, Ambawadi, Ahmedabad - 380 006 Contact : +91 9712928420 Email : <a href="mailto:swordnshield1995@gmail.com">swordnshield1995@gmail.com</a> Web : <a href="http://www.swordnshieldpharma.com">www.swordnshieldpharma.com</a>
Registrar and Share Transfer Agent	<b>MCS Share Transfer Agent Limited</b> 101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380009 Contact : +91 79 26580461 / 62 / 63 Email : <a href="mailto:mcsahmd@gmail.com">mcsahmd@gmail.com</a>
E-voting Agency	<b>National Securities Depository Limited</b> Phone : 1800 222 990 E-mail : <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a>
Scrutinizer	<b>CS Anand Lavingia</b> , Practicing Company Secretary Email : <a href="mailto:krishivadvisory@gmail.com">krishivadvisory@gmail.com</a>

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the Companies (Management and Administration) Rules, 2014 - Form No. MGT-11]

**SWORD AND SHIELD PHARMA LIMITED**

CIN: L24231GJ1995PLC024809

Regd. Office: 55, World Business House, Near Parimal Garden, Ambawadi, Ahmedabad - 380 006  
Phone: +91 9712928420 | Email: swordnshield1995@gmail.com | Website: www.swordnshieldpharma.com

Name of member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

Email ID: \_\_\_\_\_

Folio Number/ DP ID- Client ID: \_\_\_\_\_

I / We, being the Member(s) holding \_\_\_\_\_ shares of Sword and Shield Pharma Limited, hereby appoint:

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_

or failing him / her

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_

or failing him / her

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 24<sup>th</sup> Annual General Meeting of Sword and Shield Pharma Limited to be held on Monday, September 30, 2019, at 10:00 a.m. at 55, World Business House, Near Parimal Garden, Ambawadi, Ahmedabad - 380 006 and at any adjournment(s) thereof, in respect of such resolutions as are indicated below:

**ORDINARY BUSINESS**

- 1. Consider and adopt Audited Financial Statement for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon. (Ordinary Resolution)
- 2. Appointment of Mrs. Jyotsnaben Patel, a Director retiring by rotation. (Ordinary Resolution)

Signed this.....day of ....., 2019

Signature of Shareholder: .....

Signature of Proxy holder(s): .....

Affix Revenue Stamp of not less than Rs. 1

**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**

(To be presented at the entrance of the meeting venue)

**SWORD AND SHIELD PHARMA LIMITED**

CIN: L24231GJ1995PLC024809

Regd. Office: 55, World Business House, Near Parimal Garden, Ambawadi, Ahmedabad - 380 006  
Phone: +91 9712928420 | Email: swordnshield1995@gmail.com | Website: www.swordnshieldpharma.com

I / We hereby record my / our presence at the 24<sup>th</sup> Annual General Meeting (AGM) of the Company held on Monday, the September 30, 2019 at 10:00 a.m. at 55, World Business House, Near Parimal Garden, Ambawadi, Ahmedabad - 380 006 and at any adjournment(s) thereof.

Folio No. \_\_\_\_\_

DP ID No. \_\_\_\_\_

Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_

\_\_\_\_\_  
Member's / Proxy's Signature

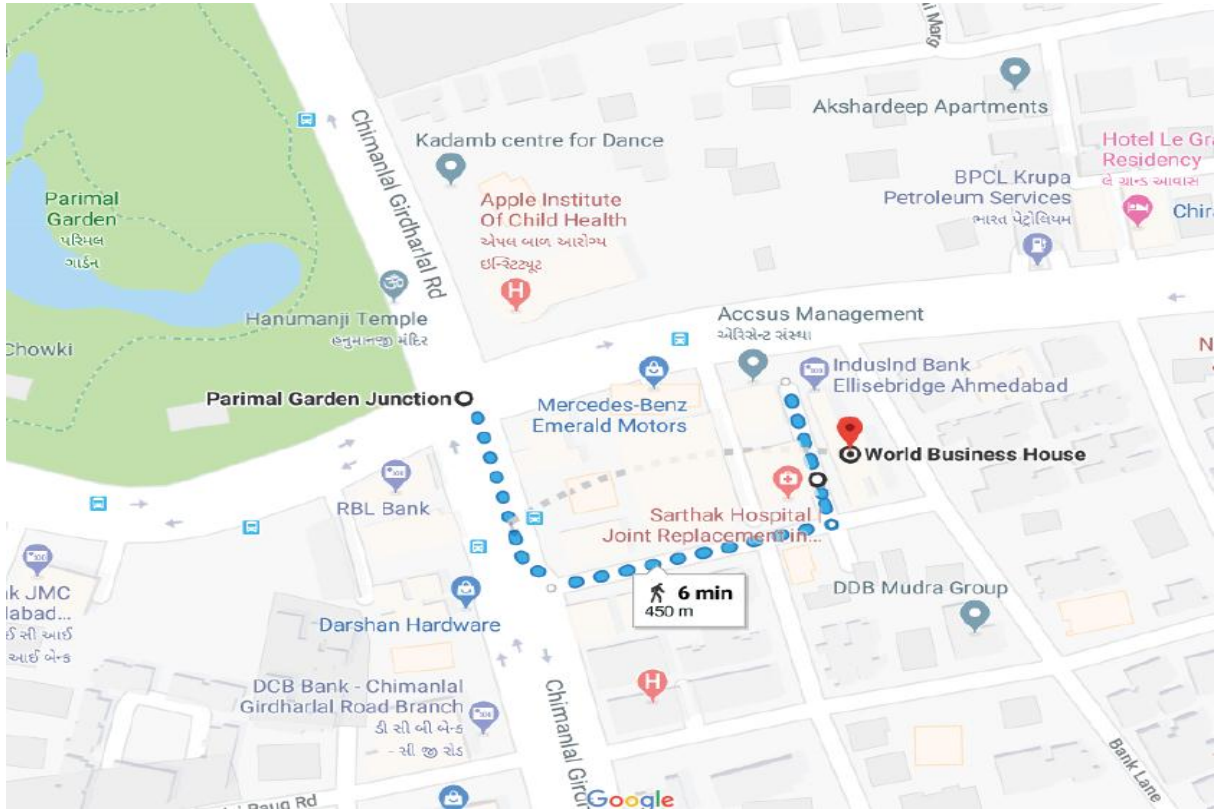
Notes:

1. Only member / Proxyholder can attend the Meeting.
2. Members are requested to bring their copy of the Annual Report and this Attendance Slip at the AGM.

## Route Map to the Venue of the 24<sup>th</sup> Annual General Meeting

Venue : 55, World Business House, Near Parimal Garden, Ambawadi, Ahmedabad - 380 006

Landmark : Parimal garden (Ambawadi)



## NOTES

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