

ANNUAL REPORT

2013 - 14



Sword & Shield Pharma Ltd.

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NOTICE OF MEETING

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

ORDINARY BUSINESSES:

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

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

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

Registered Office:

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

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

**Pravinbhai Patel
Managing Director
DIN: 01877446**

Place : Ahmedabad

Date : August 14, 2014

NOTES

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

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

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

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

- 3. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, September 22, 2014 to Tuesday, September 30, 2014 (both days inclusive) for annual closing.**

- 4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.**

- 5. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.**

- 6. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.**

- 7. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.swordnshieldpharma.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Ahmedabad for inspection during normal business hours on working days.**

- 8. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.**

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

10. GREEN INITIATIVE

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

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

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

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

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

ANNEXURE TO NOTICE**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT**

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

DIRECTORS' REPORT

Dear Shareholders,

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

1. FINANCIAL RESULTS:

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

(Amount in Rs.)

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

2. DIVIDEND:

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

3. REVIEW OF BUSINESS OPERATION:

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

4. CORPORATE GOVERNANCE REPORT:

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

5. DIRECTORS:

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

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

The Board recommends their re-appointment.

6. AUDITORS AND AUDITORS' REPORT:

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

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

7. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

8. PARTICULARS OF THE EMPLOYEES:

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

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

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

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

10. ACKNOWLEDGEMENT:

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

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

Place : Ahmedabad
Date : August 14, 2014

**Pravinbhai Patel
Managing Director
DIN: 01877446**

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance:

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

1. Board of Directors:

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

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

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

Composition of Board and other related matters:

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

| | | | | | | | |
|---|----|------------|----|-----|---|-----|-------------------|
| Mr. Himanshu Patel DIN : 02026600 | NE | 01/09/2008 | 01 | Nil | 4 | Yes | 2500 (0.0485%) |
|---|----|------------|----|-----|---|-----|-------------------|

Mrs. Jyotsnaben Patel is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, had offered himself reappointment. Relevant details pertaining to them are provided in the Notice of the Annual General Meeting.

2. AUDIT COMMITTEE

The Company doesn't constitute Audit Committee

3. NOMINATION AND REMUNERATION COMMITTEE

The Company has not yet set up the remuneration Committee.

4. STAKEHOLDER'S GRIEVANCES & RELATIONSHIP COMMITTEE:

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

Complaints

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

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

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

5. General Body Meetings

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

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

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

6. Disclosures

a) Legal Compliances

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

b) Code of Business Conduct

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

c) Related Party Transactions

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

d) Whistle Blower Policy

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

e) Mandatory & Non-Mandatory Clauses

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

7. MEANS OF COMMUNICATION TO SHAREHOLDERS

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

8. General Shareholder Information

a. 19th Annual General Meeting

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

b. Tentative Financial Calendar for the year 2013-14

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

c. Date of Book Closure

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

d. Listing on Stock Exchanges and Security Codes

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

e. Distribution of Shareholding as at March 31, 2014

By size of shareholding:

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

f. By category of shareholders:

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

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

g. Registered Office

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

h. Compliance Officer

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

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

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

**Pravinbhai Patel
 Managing Director
 DIN: 01877446**

ANNEXURE 1 TO CORPORATE GOVERNANCE REPORT

To,
The Shareholders

Affirmation of Compliance with Code of Business Conduct

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

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

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

Place : Ahmedabad
Date : August 14, 2014

Pravinbhai Patel
Managing Director
DIN: 01877446

CERTIFICATE

To,
The members of
Sword & Shield Pharma Limited

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

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

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

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

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

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

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

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

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

Place: Ahmedabad
Date: August 14, 2014

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

MANAGEMENT DISCUSSION ANALYSIS REPORT

OVERVIEW:

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

OPPORTUNITY AND THREAT:

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

RISK FACTORS:

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

FUTURE OUTLOOK:

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

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

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



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
SWORD AND SHIELD PHARMA LIMITED
AHMEDABAD.

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

Managements' responsibility for the financial statements

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

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

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



7. **Accounting For VAT**

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

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

For, JANAK SONI & ASSOCIATES

CHARTERED ACCOUNTANTS

F.R.N. :-

121405W



PLACE :- AHMEDABAD

DATE :- 30th May, 2014

C.A. Janakkumar S. Soni

Proprietor

M. No. :- 110003

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT

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

1. In respect of its fixed assets :-

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

2. In respect of its inventories:-

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

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

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

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

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



(b). Since, the Company has not maintained register under Section 301 of the Companies Act, 1956, I am not able to make comment as to whether the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at relevant time.

6. The Company has not accepted any deposits from public. Consequently the directives issued by the Reserve bank of India read with the provisions of Section 58A, 58AA or any other relevant provision of the Companies Act, 1956 and the rules framed there under are not applicable. Therefore, no further comments are made.

7. As per the information and explanation given to me, the Company has not any Internal Audit System commensurate with the size of the Company and nature of its business

8. As informed by the management of the Company, the Central Government has not prescribed maintenance of Cost records under Section 209(1) (d) of the Companies Act, 1956; which I have relied upon. Therefore, no comments are required to be made.

9. In respect of statutory dues :-

(a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance Contribution, Income tax, Excise Duty and Customs Duty, Sales tax and other dues have been generally regularly deposited with the appropriate authorities.

(b) As informed to me, there are no disputed statutory dues, which have not been deposited on account of matters pending before appropriate authorities.

10. (a) Accumulated losses of the Company, at the end of the financial year has exceeded fifty percent of its net worth.

(b) The Company has incurred cash losses at the end of the financial year and in the immediately preceding financial year.

11. As per the records of the Company, the Company has not made any borrowings from financial Institutions or banks or debenture holders. Therefore, Clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 is not applicable.

12. As per the records of the Company, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, Clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable.

13. The Company is not a Chit fund, Nidhi / Mutual benefit fund / society. Therefore, Clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.

14. According to the information and explanations given to me, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, Clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.

15. According to the information and explanation given to me, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Therefore, Clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 is not applicable.



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

For, JANAK SONI & ASSOCIATES
CHARTERED ACCOUNTANTS

F.R.N. :-

121405W



C.A. Janakkumar S. Soni

Proprietor

M. No. :- 110003

PLACE :- AHMEDABAD

DATE :- 30th May, 2014

ANNEXURE "1" TO THE INDEPENDENT AUDITOR'S REPORT

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

1. Valuation of Inventories (AS 2)

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

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

2. Accounting for Taxes on Income (AS 22)

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

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

3. Contingent Liabilities

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

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

4. Related Party Disclosure (AS 18)

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

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

5. Balance Confirmations from Parties

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

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

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

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

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



Emphasis of Matter

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

Report On other Legal and Regulatory Requirements

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

For, JANAK SONI & ASSOCIATES
CHARTERED ACCOUNTANTS

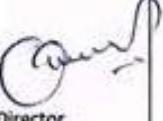
(F.R.No. : 121405W)



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

PLACE : AHMEDABAD
DATE : 30th May,2014

| Sr. No. | Particulars | Note No. | As at 31 March, 2014 Rupees | As at 31 March, 2013 Rupees |
|---|--|----------|--------------------------------|--------------------------------|
| I | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share capital | 1 | 46,619,170 | 46,619,170 |
| | (b) Reserves and surplus | 2 | (45,455,339) | (34,643,790) |
| | (c) Money received against share warrants | | | |
| | | | 1,163,831 | 11,975,380 |
| 2 | Share application money pending allotment | | | |
| 3 | Non-current liabilities | | | |
| | (a) Long-term borrowings | 3 | 3,094,383 | 1,769,920 |
| | (b) Deferred tax liabilities (Net) | | | |
| | (c) Other long-term liabilities | | | |
| | (d) Long-term provisions | | | |
| | | | 3,094,383 | 1,769,920 |
| 4 | Current liabilities | | | |
| | (a) Short-term borrowings | 4 | 5,722,861 | 4,170,064 |
| | (b) Trade payables | 5 | 7,510,455 | 5,502,610 |
| | (c) Other current liabilities | 6 | 87,961 | 45,263 |
| | (d) Short-term provisions | | | |
| | | | 13,321,277 | 9,717,937 |
| | | | | |
| | TOTAL [1+2+3+4] | | 17,579,491 | 22,963,237 |
| II | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Fixed assets | 7 | 11,328,310 | 13,019,563 |
| | (i) Tangible assets | | | |
| | (ii) Intangible assets | | | |
| | (iii) Capital work-in-progress | | | |
| | (iv) Intangible assets under development | | | |
| | (v) Fixed assets held for sale | | | |
| | | | 11,328,310 | 13,019,563 |
| | (b) Non-current investments | | | |
| | (c) Deferred tax assets (Net) | | | |
| | (d) Long-term loans and advances | | | |
| | (e) Other non-current assets | | | |
| | | | 11,637,688 | 13,260,495 |
| 2 | Current assets | | | |
| | (a) Current investments | 8 | 1,376,782 | 4,742,345 |
| | (b) Inventories | 9 | 3,584,670 | 3,870,223 |
| | (c) Trade receivables | 10 | 48,201 | 312,377 |
| | (d) Cash and cash equivalents | 11 | 932,150 | 777,797 |
| | (e) Short-term loans and advances | | | |
| | (f) Other current assets | | | |
| | | | 5,941,803 | 9,702,742 |
| | | | | |
| | TOTAL [1+2] | | 17,579,491 | 22,963,237 |
| | | | | |
| See accompanying notes to and forming part of the financial statements, as per Annexure- 1. | | | | |
| As per my audit report of even date attached. | | | | |
| For, JANAK SONI & ASSOCIATES | | | | |
| Chartered Accountants | | | | |
| F.R.N. :- 121405W | | | | |
|  | | | | |
| C.A. Janakkumar S. Soni | | Director | | Director |
| Proprietor | | | | |
| M. No. :- 110003 | | | | |
| Place : | AHMEDABAD | Place : | AHMEDABAD | |
| Date : | 30th May, 2014 | Date : | 30th May, 2014 | |

| Sr. No. | Particulars | Note No. | For the year ended 31 March, 2014 Rupees | For the year ended 31 March, 2013 Rupees |
|--|---|---|--|--|
| I | Revenue from operations (gross) | 16 | 5,531,109 | 18,825,191 |
| II | Other income | 17 | 215,765 | 226,496 |
| III | Total Revenue (I + II) | | 5,746,874 | 19,051,687 |
| IV | Expenses :- | | | |
| | (a) Cost of materials consumed | 18 | 10,056,078 | 11,720,643 |
| | (b) Purchases of stock-in-trade | | | 195,840 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 19 | 401,408 | 352,248 |
| | (d) Employee benefits expense | 20 | 3,122,438 | 4,134,148 |
| | (e) Finance costs | | | - |
| | (f) Depreciation and amortisation expenses | 21 | 1,691,253 | 1,996,385 |
| | (g) Other expenses | 22 | 1,310,676 | 3,129,777 |
| | (h) Prior Period Items | 23 | - | 166,074 |
| | Total expenses | | 16,581,853 | 21,695,115 |
| V | Profit / (Loss) before exceptional and extraordinary items and tax (III-IV) | | (10,834,979) | (2,643,428) |
| VI | Exceptional items | 24 | (45,016) | - |
| VII | Profit / (Loss) before extraordinary items and tax (V - VI) | | (10,879,995) | (2,643,428) |
| VIII | Extraordinary items | 25 | - | - |
| IX | Profit / (Loss) before tax (VII-VIII) | | (10,879,995) | (2,643,428) |
| X | Tax expense: | | | |
| | (a) Current Tax | | | - |
| | (b) Deferred tax | | (68,446) | (143,497) |
| | | | (68,446) | (143,497) |
| XI | Profit / (Loss) from continuing operations VII- VIII) | | (10,811,549) | (2,499,931) |
| XII | Profit / (Loss) from discontinuing operations (before tax) | | - | - |
| XIII | Tax expense of discontinuing operations | | - | - |
| XIV | Profit / (Loss) from Discontinuing operations (after tax)(XII-XIII) | | - | - |
| XV | Profit / (Loss) for the period (XI+ XIV) | | (10,811,549) | (2,499,931) |
| XVI | Earnings Per Equity Share | | | |
| | (1) Basic | | (2.59) | (0.60) |
| | (2) Diluted | | (2.59) | (0.60) |
| <i>See accompanying notes to and forming part of the financial statements , as per Annexure- 1.</i> | | | | |
| <i>As per my audit report of even date attached.</i> | | | | |
| For, JANAK SONI & ASSOCIATES Chartered Accountants F.R.N. :- 121405W | | For and on behalf of the Board of Directors | | |
|  C.A. Janakkumar S. Soni Proprietor M. No. :- 110003 Place : AHMEDABAD Date : 30th May, 2014 | |  <i>S.J.Sonni</i> Director | | |
| | |  <i>Om</i> Director | | |
| | | Place : AHMEDABAD Date : 30th May, 2014 | | |

Note 1 : Share capital

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

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

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

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

Particulars of Calls Unpaid :-

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



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



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



Name of the Company : SWORD AND SHIELD PHARMA LTD.

Accounting Year : 2013-2014

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

Note 7 : Tangible Fixed Assets

Note 7 : Tangible Fixed Assets

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



Name of the Company : SWORD AND SHIELD PHARMA LTD.

Accounting Year : 2013-2014

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

Note 7 : Tangible Fixed Assets

ANNEXURE -1
Page 2

| SR. NO. | NAME OF ASSET | RATE | GROSS BLOCK | | | DEPRECIATION BLOCK | | | NET BLOCK | | |
|------------|---------------------------------|-------|----------------------------|------------------|------------------------|----------------------------|---------------------------|------------------------|---------------------------|----------------------------|----------------------------|
| | | | AS ON 01.04.2013 Rs. | ADDITIONS Rs. | DEDU- CTIONS Rs. | AS ON 31.03.2014 Rs. | UPTO 31.03.2013 Rs. | FOR THE YEAR Rs. | UPTO 31.03.2014 Rs. | AS ON 31.03.2014 Rs. | AS ON 31.03.2013 Rs. |
| 4 | Furniture & Fixtures | 18.10 | 408,304 | - | - | 408,304 | 334,422 | 13,373 | 347,795 | 60,509 | 73,882 |
| | P.Y. | | 408,304 | - | - | 408,304 | 318,094 | 16,328 | 334,422 | 73,882 | 90,210 |
| 5 | Vehicles | 25.89 | 2,114,412 | - | - | 2,114,412 | 1,440,956 | 174,358 | 1,615,314 | 499,098 | 673,456 |
| | P.Y. | | 2,008,766 | 105,646 | 2,114,412 | 2,025,687 | 235,269 | 1,440,956 | 673,456 | 803,079 | |
| 6 | Office Equipments | | | | | | | | | | |
| a | Computer System | 40.00 | 416,300 | - | - | 416,300 | 270,286 | 58,406 | 328,692 | 87,608 | 146,014 |
| | P.Y. | | 416,300 | - | - | 416,300 | 172,943 | 97,343 | 270,286 | 146,014 | 243,357 |
| b | Office Equipments | 13.91 | 502,781 | - | - | 502,781 | 343,941 | 22,095 | 366,036 | 136,745 | 158,840 |
| | P.Y. | | 502,781 | - | - | 502,781 | 291,941 | 52,000 | 343,941 | 158,840 | 210,840 |
| | Total (6) | | 919,081 | - | - | 919,081 | 614,227 | 80,501 | 694,728 | 224,353 | 304,854 |
| | P.Y. | | 919,081 | - | - | 919,081 | 464,884 | 149,343 | 614,227 | 304,854 | 454,197 |
| 7 | Others | | | | | | | - | - | - | - |
| | P.Y. | | - | - | - | - | - | - | - | - | - |
| | Grand Total | | 46,547,151 | - | - | 46,547,151 | 33,527,588 | 1,691,253 | 35,218,841 | 11,328,310 | 13,066,100 |
| | P.Y. | | 46,131,455 | 415,696 | 46,547,151 | 31,531,203 | 1,996,385 | 33,527,588 | 13,019,563 | 14,624,117 | |



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



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



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



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



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



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



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



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



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

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



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

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



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



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

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



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

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



SWORD AND SHIELD PHARMA LIMITED

ACCOUNTING YEAR : 2013-2014

GROUPINGS

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

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



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



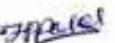
| Sr. No. | Particulars | As at 31 March, 2014 Rupees | As at 31 March, 2013 Rupees |
|---------|---|--------------------------------|--------------------------------|
| D | NET INCREASE / (DCREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | (264,176) | 135,031 |
| E | OPENING CASH AND CASH EQUIVALENTS |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

For, SWORD AND SHIELD PHARMA LTD.

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

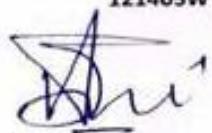
Managing Director

Director



AUDITOR'S CERTIFICATE

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

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

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

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PART-I : NOTES TO ACCOUNTING STANDARDS

1.0 SIGNIFICANT ACCOUNTING POLICIES

(a). Basis of Accounting :-

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

(b). Revenue Recognition:-

(i). Revenue is recognized when it is reasonably certain that it will be received .

(ii). Revenue from Sale of Goods is recognized when goods are dispatched and invoice is raised .

(iii). Interest and other Income is recognised on realization basis rather than on accrual basis.

(c). Fixed Assets :-

Fixed Assets are shown at Cost less Depreciation .

(d). Depreciation :-

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

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

(i). Inventory is shown as certified by the Management of the Company and is relied upon by the Auditor.

(ii). Inventory is valued at Cost or Market Value whichever is less .

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

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

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

(a) On account of losses, no provision for Current Income Tax Liability is required , as such no provision has been made thereof.

(b) Provision for Deferred Income Tax Liability has been made, as per AS 22.



(h). Contingent Liabilities :-

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

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

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

2.0 OTHER NOTES TO ACCOUNTING STANDARD

(a). Contingent Liabilities :-

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

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

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

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

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

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

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

As per Annexure – 1.



PART- III : OTHER NOTES

(a). Balances of all the parties are subject to confirmations and reconciliations.

(b). Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :-
Since, the company has no such information, disclosure has not been made.

(c). Previous Year's figures have been re-grouped and re-arranged wherever considered necessary.

(d). Immaterial items have been ignored on making disclosure.

(e). Wherever external evidences were not available, reliance had been made on internal evidences and / or explanation provided by the management.

For, JANAK SONI & ASSOCIATES

Chartered Accountants

F.R.N. :- 121405W



C.A. Janakkumar S. Soni

Proprietor

M. No. 110003

Place : AHMEDABAD

Date : 30th May, 2014

For and on behalf of the Board of Directors

Director

Director



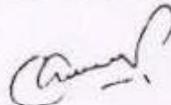
Place : AHMEDABAD

Date : 30th May, 2014

Date: 14 August, 2014

FORM A

[Pursuant to clause 31(a) of the Listing Agreement]

| | | |
|----|--|--|
| 1. | Name of the Company | Sword & Shield Pharma Limited |
| 2. | Annual Financial for the year ended | March 31, 2014 |
| 3. | Type of Observation | Un-qualified |
| 4. | Frequency of Observation | Not Applicable |
| 5. | To be Signed by Mr. Pravinbhai Patel (Managing Director) |  |
| | M/S. Janak Soni & Associates Auditor of the Company |   |



Form No. MGT-11**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

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

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

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

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

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

Ordinary Business

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

Signed this day of 2014.

Signature of Shareholder: _____

Signature of Proxy holder(s): _____

| |
|------------------------------|
| Affix Re. 1 Revenue Stamp |
|------------------------------|

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

Full name of the member attending _____

Full name of the joint-holder _____

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

Name of Proxy _____

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

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

Folio No _____ DP ID No. * _____

Client ID No.* _____

*Applicable for members holding shares in electronic form.

No. of Share(s) held _____

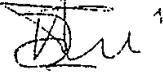
Member's / Proxy's Signature _____

Annexure - VII

Date: 14 August, 2014

FORM A

[Pursuant to clause 31(a) of the Listing Agreement]

| | | |
|----|--|--|
| 1. | Name of the Company | Sword & Shield Pharma Limited |
| 2. | Annual Financial for the year ended | March 31, 2014 |
| 3. | Type of Observation | Un-qualified |
| 4. | Frequency of Observation | Not Applicable |
| 5. | To be Signed by Mr. Pravinbhai Patel (Managing Director) |  |
| | M/S. Janak Soni & Associates Auditor of the Company |   |