

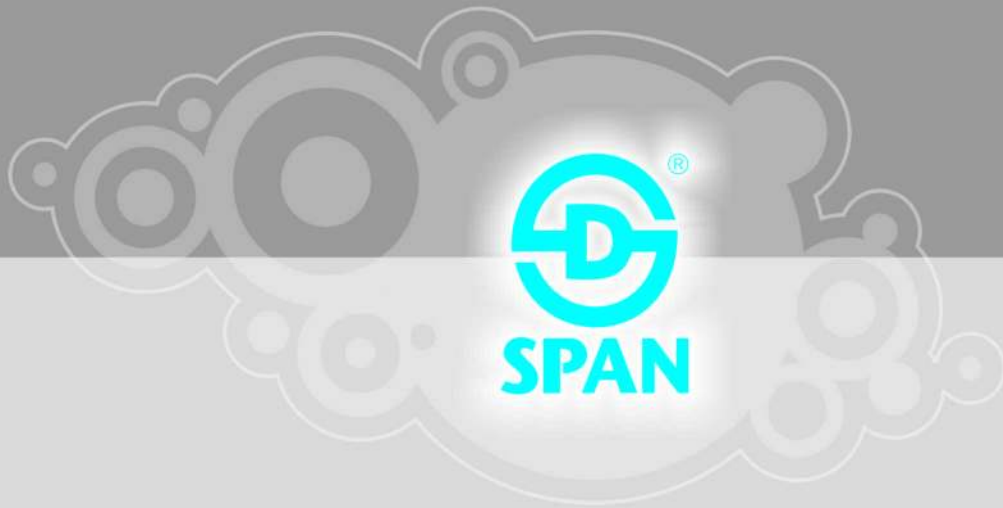


Span Diagnostics Ltd.



my trusted partner
IN DIAGNOSIS
TM

34th Annual Report
2013-14



Vision

To be a trusted partner in diagnosis, providing dependable & affordable tools to healthcare professionals across the globe to secure healthier world.



Mission

At Span Diagnostics, we pursue ethical and meaningful ways that makes it the most admired for its people, products, partnership, performance and practices to become a global leader in manufacturing novel, innovative and affordable diagnostic solutions. We will continue to build a corporate which respects and values the unique strengths of our associates and perceived needs of our customers, shareholders and society.



Values

Trust and Respect :

Building and maintaining interpersonal trust and respect in a team to achieve collective goal with shared responsibility.

Integrity :

Keeping company interest and ethics before self interest.

Sincerity :

Doing every task whole heartedly with focus, attention and determination.

Innovation :

Taking initiatives for implementing 'out of box' ideas to achieve company's mission.

Collaboration :

Acceptance and utilization of the best strengths and expertise available globally.

BOARD OF DIRECTORS	<p>Mr. N.Gopaldaswami Mr. Veeral P.Desai Dr. Pradip K. Desai Dr. Sushil K. Shah Mr. Shyamal Ghosh Mr. Kamlesh M. Patel Dr. Pranav S. Desai Mr. Sanjay N. Mehta</p>	<p>Chairman Managing Director Whole-time Director Director Director Director Director Director</p>
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COMPANY SECRETARY Mr. Pankaj Ajmera

BANKERS	<p>State Bank of India Ind. Finance Branch Marble Arch, Race Course Circle, BARODA – 390 007</p>	<p>IDBI Bank 2nd floor, Ess En House, Ghod Dod Road. Opp. Kotak House, SURAT SURAT – 395 007</p>
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AUDITORS M/s. Haribhakti & Co.,
 Chartered Accountants
 703, Venus Atlantis, 100 Ft. Road,
 Prahlad Nagar,Ahmedabad-380 015.

HEAD OFFICE & REGISTERED OFFICE 173-B, New Industrial Estate
 Road No.6-G, Udhna Udyognagar
 Udhna, Surat 394210, India

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NOTICE

To,

THE MEMBERS OF SPAN DIAGNOSTICS LIMITED

Notice is hereby given that the 34th Annual General Meeting of Shareholders of Span Diagnostics Limited will be held at Registered Office at Plot No. 173-B, New Industrial Estate, Road No. 6-G, Udhna, Surat – 394 210 on Friday, August 08, 2014 at 10:30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the year ended on March 31, 2014 including audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Sanjay N. Mehta (DIN: 00002817) who retires by rotation and being eligible, offer himself for reappointment
3. To appoint M/s. Haribhakti & Co., Chartered Accountants as Statutory Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification the following resolution as an **Ordinary Resolution**.

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Kamlesh M. Patel (holding DIN 01521972), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to conclusion of the 39th Annual General Meeting of the Company in calendar year 2019.”

5. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. N. Gopaldaswami (holding DIN 02779229), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to conclusion of the 39th Annual General Meeting of the Company in calendar year 2019.”

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6. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Shyamal Ghosh (holding DIN 00179918), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to conclusion of the 39th Annual General Meeting of the Company in calendar year 2019.”

7. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Sushil K. Shah (holding DIN 00179918), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to conclusion of the 39th Annual General Meeting of the Company in calendar year 2019.”

8. To consider and if though fit, to pass with or without modification the following resolution as a **Special Resolution**

“RESOLVED THAT, pursuant to Section 180(1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money in any manner from time to time with or without securities and upon such terms and conditions as they may deem fit, notwithstanding that monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company subject however to the condition that such borrowings at any point of time shall not exceed Rs. 75 Crores (Rupees Seventy Five Crores).”

9. To consider and if thought fit, to pass, with or without modification the following resolution as a **Special Resolution.**

“RESOLVED THAT, pursuant to Section 180 and/or Section 77 of the Companies Act, 2013 and all other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging, hypothecating and/or otherwise charging on such terms and conditions and at such time or times and in such form or manner as Board of Directors of the Company may think fit, of all or any of the immovable and movable properties/assets of the Company wherever situated, present and future whatsoever and/or the whole or substantially the whole of the undertaking of the

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Company as may be agreed to between the Company and the banks, financial institutions, lenders, their agents for the purpose of securing existing or proposed borrowing from financial institutions, banks, mutual funds and/or any other institutions/parties, together with interest, additional interest, compound interest, premium on prepayment, costs, charges, expenses and all other moneys due, owing or payable presently or in future by the Company subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise with the lenders or their agents such deeds, agreements and documents for creating the aforesaid mortgage, hypothecation charge, or encumbrance and to do and perform all such acts, deeds, matters and things and to execute all such documents, writings as it may consider necessary, expedient, usual, requisite or proper for the purpose of giving effect to this Resolution.”

10. To consider and if thought fit, to pass, with or without modification the following resolution as an **Ordinary Resolution**.

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

11. To consider and if thought fit, to pass, with or without modification the following resolution as an **Ordinary Resolution**.

“RESOLVED THAT pursuant to the provisions of Section 73 and all other applicable provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors for inviting, accepting or renewing deposits on such terms and conditions in accordance with applicable provisions of the Companies Act, 2013 and rules made there under in a manner provided in the Companies Act, 2013 and subject to fulfilment of conditions specified in Section 73 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

For and on behalf of the Board of Directors

Date : May 23, 2014

Place : Surat

**Pankaj Ajmera
Company Secretary**

Registered Office:

173- B, New Industrial Estate

Road No. 6G, Udhna, Surat-394210

NOTICE**NOTES :**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY DULY COMPLETED MUST BE RETURNED TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.
- (b) The Register of Members and the share transfer books of the Company will remain closed on July 30, 2014 to August 08, 2014 (both days inclusive).
- (c) Link Intime India Private Limited is the Registrar and Share Transfer Agents of the Company. Shareholders are requested to make all correspondence including change of address to them at the following address.
Link Intime India Private Limited
Unit: Span Diagnostics Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), MUMBAI – 400 078
Phone # 022-25963838, Fax # 022-25946969
Email: rnt.helpdesk@linkintime.co.in
- (e) Members are advised to avail of the facility for receipt of future dividends through Electronic Clearing Services (ECS). The ECS facility is available at the specified locations. Members holding shares in dematerialized mode are requested to contact their respective Depository Participants (DPs) for availing ECS facility. Members holding shares in physical form and desirous of availing ECS facility are requested to write to the Company's Registrar & Share Transfer Agent for details.
- (f) Members who are holding shares in identical order of names in more than one account are requested to intimate to Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited) at the address stated above with the ledger folio of such accounts together with the share certificates to enable the Company to consolidate all the holdings into one account. The share certificates will be returned to the members after making the necessary endorsement in due course.
- (g) Members are requested to bring their copy of the Annual Report to the Annual General Meeting. As a measure of economy, no extra copies of the Annual Report will be supplied at the meeting.
- (h) Members seeking further information on the Accounts or any other matter contained in the notice are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.

i) GREEN INITIATIVE

As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA), vide its Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011. In terms of the enabling provisions of these Circulars, the Company will henceforth effect electronic delivery of documents including the annual report, half yearly shareholder communication, notices of meetings/postal ballot, etc. to the members at the email address registered for the said purpose.

For supporting this initiative, if you hold shares in:

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- (a) **electronic form**, please intimate your email address to your Depository Participants(DP). The same will be deemed to be your registered email address for servicing notices/documents including those covered under Section 219 of the Companies Act, 1956.
- (b) **physical form**, please send a duly signed letter quoting the name of first/ sole holder and folios to the Company's Registrar & Share Transfer Agents:

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai – 400 078

Kindly note that if you do not register your email address, a physical copy of the annual report and other communication/ documents will be sent to you free of cost, as per current practice. Such documents will also be displayed on the Company's website www.span.co.in.

We strongly urge you to support this 'Green Initiative' by opting for electronic mode of communication and making the world a cleaner, greener and healthier place to live. In case your shares are in physical form, we also urge you to have your shares dematerialized by approaching Depository Participant (DP) of your choice.

(j) VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 34th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instruction for e-voting is as under:

- A. In case Member receives an email from NSDL (For members whose email IDs are registered with the Company/Depository Participants(s)):
- (i) Open email and open PDF file viz "Span Diagnostics e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password credentials.
 - (vi) Home page of e-voting opens. Click on e-voting: Active voting cycles.
 - (vii) Select "EVEN" of Span Diagnostics Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

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- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution /Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through to spanscrutinizer@gmail.com or secretarial@span.co.in with a copy marked to evoting@nsdl.co.in.
- B. In case Member receives physical copy of the Notice of AGM (For Members whose email IDs are not registered with the Company Depository Participants(s) or requesting physical copy):
- (i) Initial password provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (E Voting Event Number) User ID Password/PIN
 - (ii) Please follow all steps from Sr. No. (ii) to (xii) above to cast vote.
- II. 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 Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting than you can use your existing user ID and password /PIN for casting your vote.
- IV. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on August 02, 2014 (9:00 a.m) and ends on August 04, 2014 (6:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialization form, as on the cut-off date (record date) of 04th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholders, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of the July 04, 2014.
- VII. Mr. Mitesh Rana, Company Secretary (Membership No. 28113) has been appointed as the scrutinizer to scrutinize e-voting process in fair and transparent manner.
- VIII. The scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in employment of the Company and make a scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on website of the Company and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

For and on behalf of the Board of Directors

Date : May 23, 2014

Place : Surat

**Pankaj Ajmera
Company Secretary**

Registered Office:

173- B, New Industrial Estate
Road No. 6G, Udhna, Surat-394210

NOTICE**ANNEXURE TO NOTICE****I. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2014**

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Item No. 4 to 11 of the accompanying Notice dated May 23, 2014.

Resolution at Item No. 4

Mr. Kamlesh M. Patel is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in June 28, 2008. Mr. Kamlesh M. Patel is the Chairman of the Investors Grievances Committee and a member of the Audit Committee, of the Board of Directors of the Company.

Mr. Kamlesh M. Patel is science Graduate. He has done his masters in Law from South Gujarat University and is practicing advocate at Surat since 1979. He was the Chairman of Surat Mercantile Co-operative Bank and was a Managing Director of the Bank during 1996 – 2004. He is a founder member of Surat Raktadan Kendra and Research Centre and a member of Managing Committee, Surat General Hospital. He is also a lecturer in Law, V. T. Choksi Sarvajnik Law College, Surat since 1987.

He is a director in The Gujarat Safe Deposit Company Limited. Mr. Kamlesh M. Patel does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Kamlesh M. Patel retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Kamlesh M. Patel being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for 5 (five) consecutive years for a term upto conclusion of the 39th Annual General Meeting of the Company in calendar year 2019. A notice has been received from a member proposing Mr. Kamlesh M. Patel as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Kamlesh M. Patel fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement with Stock Exchange for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Kamlesh Patel as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kamlesh M. Patel as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Kamlesh Patel as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Kamlesh M. Patel, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Resolution at Item No. 5

Mr. Needamanglam Gopaldaswami, aged 69, is a Non-Executive Independent Director and Chairman of the Company. He joined the Board of Directors of the Company in as an Alternate Director to Mr. Sarvajna Kazi

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in 2009. He was appointed on Board of the Company as Director in August, 2012. Mr. Needamangalam Gopalaswami is the Chairman of the Board, Remuneration Committee and HR Committee and a member of the Managing Committee and Audit Committee of the Board of Directors of the Company.

Mr. Needamangalam Gopalaswami served as an Ex Chief Election Commissioner of India. He is M.Sc (Chemistry) by qualification as well as he has done Diploma in Urban Development Planning. He belonged to Indian Administrative Service (Batch 1966) and had held various senior positions in both State Government and Government of India. He has rich experience in Human Resource Management and Urban Development.

Mr. Needamangalam Gopalaswami is a Director in Green Signal Bio-Pharma Private Limited. Mr. Needamangalam Gopalaswami does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Needamangalam Gopalaswami is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Needamangalam Gopalaswami being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 (five) consecutive years for a term upto conclusion of the 39th Annual General Meeting of the Company in calendar year 2019. A notice has been received from a member proposing Mr. Needamangalam Gopalaswami as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Needamangalam Gopalaswami fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement with Stock Exchange for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Needamangalam Gopalaswami as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except Mr. Needamangalam Gopalaswami, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Resolution at Item No. 6

Mr. Shyamal Ghosh, aged 71, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October, 2006. Mr. Shyamal Ghosh is the Chairman of the Audit Committee and a member of the HR Committee, Remuneration Committee, and Managing Committee of the Board of Directors of the Company.

Mr. Shyamal Ghosh is by qualification M.A (Economics). He was a Parvin Fellow at Woodrow Wilson School, Princeton University, USA. He belonged to Indian Administrative Service (IAS). He has held various position in senior position in both State Government of Gujarat and Government of India. He was Managing Director of Gujarat State Petrochemicals Corporation Limited and also Director General of Foreign Trade, Ministry of Commerce. He was secretary to Government of India and in that capacity he had been in charge of Ministry of Textiles, Ministry of Communication and Dept. of Electronics. He was also on the Board of reputed Companies in India. He has wide experience in Administration and Business Management.

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Mr. Shyamal Ghosh is a Director in Spentex Industries Limited and Burn Standard Co Ltd. Mr. Shyamal Ghosh does not hold by himself or for any other person on a beneficial basis, any shares in the Company except Management Consultancy Service provided to the Company in his professional Capacity for which Company has obtained approval of Central Government.

Mr. Shyamal Ghosh is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Shyamal Ghosh being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 (five) consecutive years for a term upto conclusion of the 39th Annual General Meeting of the Company in calendar year 2019. A notice has been received from a member proposing Mr. Shyamal Ghosh as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Shyamal Ghosh fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder clause 49 of the Listing Agreement with Stock Exchange for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Shyamal Ghosh as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except Mr. Shyamal Ghosh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Resolution at Item No. 7

Dr. Sushil K. Shah, aged 67, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in September, 2003.

Dr. Sushil K. Shah, is by qualification M.D (Path & Bact.) from Mumbai University. He is having vast Experience of about more than 35 years in the field on Pathology. He is associated in various capacities with Corporate Hospitals, Academic Societies, and Social Services. He has published many research papers. He is reputed Pathologist and head of renowned Metropolis Laboratory. He was the first pathologist to introduce Redio Immunoassay technique in India as well as to establish first referral laboratory for specialised tests. He is also a research fellow of Cornell Medical Centre, New York.

Dr. Sushil K. Shah is a Director in Metropolis Healthcare Limited, Sudharma Metropolis Health Services Private Limited, Industrial Bhavan (Worli) Limited, Golwilkar Metropolis Health Services (India) Private Limited, KRD Real Estate Private Limited, Final Diagnosis Private Limited, Sanket Metropolis Health Services (India) Private Limited, Metropolis Healthcare (Jodhpur) Private Limited, Micron Metropolis Healthcare Private Limited, Mulay Metropolis Healthcare Private Limited, Metropolis Healthcare (Chandigarh) Private Limited, Ekopath Metropolis Lab Services Private Limited, Metropolis Health Product Retail Private Limited, Centre for Digestive and Kidney Diseases (India) Private Limited, Amin's Pathology Laboratory Private Limited. Dr. Sushil K. Shah does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Dr. Sushil K. Shah is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Dr. Sushil K. Shah being eligible and offering himself for

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appointment, is proposed to be appointed as an Independent Director for 5 (five) consecutive years for a term upto conclusion of the 39th Annual General Meeting of the Company in calendar year 2019. A notice has been received from a member proposing Dr. Sushil K. Shah as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr. Sushil K. Shah fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement with Stock Exchange for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. Sushil K. Shah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except Dr. Sushil K. Shah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Resolution at Item No. 8

The members are informed that pursuant to Section 180(1)(c) of the Companies Act, 2013 and applicable provisions if any, the Board of Directors cannot, except with the consent of the Company in General Meeting by a special resolution, borrow moneys apart from temporary loans obtained from the Company's bankers in the ordinary course of business in excess of the aggregate of the paid-up capital and free reserves, i.e reserves not set apart for any specific purpose. Taking into account further requirements of additional finance for Long term working capital required by the Company, a fresh resolution is proposed providing that, in addition to the Company's existing borrowings, the Directors may exceed the aggregate of the paid-up capital and free reserves of the Company, subject however to the condition that such borrowings at any point of time shall not exceed Rs. 75 Crores (Rupees Seventy Five Crores). Company intends to raise funds to meet its working capital and long term fund requirement for the purpose of business of the Company.

None of the Directors are deemed to be concerned or interested in the resolution.

Resolution at Item No. 9

The Members are informed that pursuant to Section 180 and/or Section 77 of the Companies Act, 2013 and all other applicable provisions, if any, consent is required for the Board of Directors of the Company for mortgaging, hypothecating and/or otherwise charging on such terms and conditions and at such time or times and in such form or manner as Board of Directors of the Company may think fit, of all or any of the immovable and movable properties/assets of the Company wherever situated, present and future whatsoever and/or the whole or substantially the whole of the undertaking of the Company as may be agreed to between the Company and the banks, financial institutions, lenders, their agents for the purpose of securing existing or proposed borrowing from financial institutions, banks, mutual funds and/or any other institutions/parties, together with interest, additional interest, compound interest, premium on prepayment, costs, charges, expenses and all other moneys due, owing or payable presently or in future by the Company subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013. This is enabling provision to raise funds for Company's business requirement.

None of the Directors are deemed to be concerned or interested in the resolution.

NOTICE**Resolution at Item No. 10**

The Board at its meeting held on May 23, 2014, on the recommendation of the Audit Committee, has approved the appointment of M/s. V. M. Patel & Associates, Cost Accountants, Surat to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at a remuneration of Rs. 20,000 (Rupees Twenty Thousands) plus out of pocket Expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

Resolution at Item No. 11

In accordance with the provisions of the Section 73 and all other applicable provisions of the Companies Act, 2013, the Board of Directors of the Company requires consent of the Shareholders at the General Meeting for inviting, accepting or renewing deposits on such terms and conditions in accordance with applicable provisions of the Companies Act, 2013 and rules made there under.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 11 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 11 of the Notice for approval by the shareholders.

II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE:**Resolution at Item No. 2: Re-appointment of Mr. Sanjay N. Mehta**

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013, effective from 1st April, 2014, for the purpose of determining the directors liable to retire by rotation, the Independent Directors shall not be included in the total number of directors of the Company.

Mr. Sanjay N. Mehta, Non-Executive Director of the Company shall accordingly retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Sanjay N. Mehta, aged 63, is a Commerce Graduate. He is a member of the Institute of Cost and Work Accountants of India and a practicing Chartered Accountant at Mumbai, having post qualification experience of more than 35 years in the area of auditing, corporate advisory services in the field of domestics & international taxation, project finance, working capital appraisals, company law compliance, FEMA regulations, indirect taxes, management accounting etc. He is associated with the Company since its inception and was looking after Finance, Taxation and Company Law matter earlier. He is also a director of Span Biotronics Pvt. Ltd., Quest Bio-Chemicals Pvt. Ltd., Span Finstock Pvt. Ltd., Tania Tapel Events

NOTICE

(India) Pvt. Ltd., Neogen Chemicals Limited. He is member of Audit Committee, Remuneration Committee, Investors Grievances Committee, and Managing Committee of the Board. He also holds 30,000 Equity Shares in the Company in his individual capacity.

Except Mr. Sanjay N. Mehta, None of the Directors and Key Managerial Personnel of the Company and their relative is concerned or interested in agenda item No. 2.

Appointment of other Directors (Resolutions at Items No. 4 to 7)

For the details of Mr. Kamlesh M. Patel, Mr. N. Gopalaswami, Mr. Shyamal Ghosh and Dr. Sushil K. Shah, please refer to the above Explanatory Statement in respect of the Special Business set out at Item Nos. 4 to 7 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

For and on behalf of the Board of Directors

Date : May 23, 2014

Place : Surat

**Pankaj Ajmera
Company Secretary**

Registered Office:

173- B, New Industrial Estate

Road No. 6G, Udhna

Surat-394210

DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting the 34th Annual Report of the Company together with the Audited Accounts for the year ended on March 31, 2014.

FINANCIAL RESULTS

The financial performance of the Company for the financial year ended March 31, 2014 along with figures of previous financial year is summarized below :

Particulars	Amount (Rs. In Lacs)	
	2013-14	2012-13
Total Income	7,966.78	8,002.59
Profit before tax, Depreciation and interest (Excluding extraordinary income and Foreign exchange Gain/(Loss))	555.88	859.98
Interest	(441.32)	(377.71)
Foreign exchange Gain/(Loss)	(60.44)	(3.94)
Profit before Depreciation	54.12	478.33
Depreciation	(476.73)	(303.85)
Profit before tax	(422.61)	174.48
Profit/(Loss) before tax from continuing operation	(51.10)	(54.98)
Income Tax Expense for continuing operation	0.00	0.00
Profit/(Loss) after tax from continuing operation	(51.10)	(54.98)
Profit/(Loss) before tax from discontinuing operation	(371.51)	229.45
Tax adjustment of earlier year	2.58	0.85
Provision of tax – Current		(28.00)
– MAT Credit Entitlement/(Utilisation)	0	25.90
– Deferred Tax (Liabilities)/Asset	(93.96)	(79.60)
Profit/(Loss) after tax from discontinuing operation	(462.89)	148.60
Profit/(Loss) after tax for the year	(513.98)	93.62
Balance brought forward	1,282.47	1,231.13
Amount available for appropriation	768.49	1,324.75
APPROPRIATIONS		
Proposed Dividend	Nil	36.38
Dividend Distribution tax	Nil	5.90
Dividend for earlier year (including distribution tax)	Nil	Nil
Transfer to General Reserve	Nil	Nil
Balance carried forward	768.49	1,282.47

DIVIDEND

In view of loss incurred during the year under review, your Board of Directors regret their inability to recommend dividend for the financial year 2013 – 14.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Operations' review

During FY 2013-14 revenue from operations for the year nominally declined to Rs. 7866 Lacs (Rs. 7897 lacs in 2012-13) over previous year.

The reason for reduction in profit are the higher capital expenditure towards expansion and up-gradation of the current manufacturing facility and rise in raw material cost and aggressive competition, which compelled company not to reflect the cost escalation in sales price, in some of the fast moving products. However this is expected to be a temporary phenomenon.

During FY 2013-14 as planned, Company has made significant investments in building world class facilities capable of meeting with international regulatory requirements. This will enable the company to participate in global procurement programs. This up-gradation will also improve overall manufacturing capacity, efficiency, productivity and process control which will lead to increase in business.

There is an ever increasing competition in the in-vitro diagnostics market, in India and also globally, as most of the multi-national companies are manufacturing their products in low cost production ecosystems. This has increased their competitiveness tremendously. There is also significant change in the global regulatory landscape in this segment for selling products in markets outside India. Evaluations and benchmarking has become very important to enter markets outside India, putting additional financial burden on the company. It had become imperative for the Company to upgrade its technical capabilities to bring out newer technologies and devote adequate resources for domestic as well as overseas market development. With limited resources and declining profit margins, the Company has had to fund its routine operations as well as expansion plans using funds borrowed from banks at significantly high interest rate prevailing in India. Heavy investment in projects coupled with high inflationary pressures resulted in further pressure on funding and it became increasingly difficult to provide the impetus required for sustainable growth.

After detailed consideration, the Company in its Board Meeting held on 23rd January, 2014 decided to propose transfer of its business of In-Vitro Diagnostics, (more particularly described as "In-Vitro Diagnostics Undertaking") along with all employees, assets, liabilities including all licenses, leases, permits, consents and approvals thereto as a going concern by way of a slump sale to M/s. Arkray Healthcare Private Limited and also subsequently obtained approval of Shareholders of the Company through postal ballot. The transaction is expected to become effective upon fulfilment of conditions of the said transactions. In the interregnum the company faced major challenges in focusing exclusive attention on the existing operations due to the formalities required for consummation of the transaction relating to the slump sale.

In view of all the above factors the company was not able to mitigate the losses in spite of best of efforts.

In due course of time, the Company shall take up for consideration the potential use of the amount that would be received pursuant to the completion of the proposed transaction and the finalisation of the consideration including the investment of such proceeds in various new lines of business as well as the distribution of a reasonable portion of the proceeds to the shareholders.

Industry Structure, Development & outlook

During the year under review, Company has decided to transfer its In Vitro Diagnostics undertaking to M/S. Arkray Healthcare Private Limited. Consequently Span is evaluating alternative structures for future lines of business. At an appropriate stage these business plans will be shared.

DIRECTORS' REPORT

Research & Development

Company is working on R&D with diverse approach such as R&D with in-house team, with special purpose subsidiary ventures, outsourcing by contract research, tie-ups with various institutions of repute in India and abroad by forming Public Private Partnership and technology acquisition. Company is developing products in the area of Immunology, Hybridoma, Biochemistry, Molecular biology, Instrumentation and development of bio materials. Company is committed to offer affordable and innovative diagnostic products by developing / acquiring newer technologies and manufacturing products indigenously using its state-of-the-art manufacturing infrastructure.

Internal Control system and their adequacy

Management is committed to continue strengthening of Company's internal control system and the same has been improved to a great extent with very valuable inputs from the independent directors and by engaging renowned independent firm of Chartered Accountants, both as internal as well as statutory auditors. Their vast experience and knowledge base has contributed tremendously in betterment of systems and processes, resulting in better control over many functional areas throughout the company. Internal control system is further supported by periodic review by management and the Audit Committee.

The nature of the industries in which the company operates makes many of its activities highly regulated by health, safety, and environmental laws. As regulatory standards and expectations are constantly increasing, the company maintains high focus towards all regulatory compliances which is regularly reviewed by the Board.

Human resources and industrial relations

The Company has highly motivated employees, totalling 524 persons, comprising of trained technical, managerial and research personnel. The focus of the Company is to enrich its employees by promoting learning & development and providing opportunities for enhancing their knowledge base continuously. During the year, the company has renewed union settlement agreement for a further tenure of three years.

The Company continues to have cordial and harmonious relations with its employees and the union.

PARTICULARS OF EMPLOYEES

There is no employee in the Company, whose particulars are required to be given under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

SUBSIDIARIES AND JOINT VENTURES

Span Biotronics Private Limited (SBPL)

Span Biotronics Pvt Ltd (SBPL) is a 95.24% Subsidiary of Span Diagnostics Limited (SPAN) working on analysis, design, development, prototyping, testing and validation of lab automation need of SPAN and is also engaged in new product development independently. A multidisciplinary team of engineers and scientists are jointly making efforts to launch indigenous technologies, which will be used as modules and commercialized in many products. Two of the products developed by SBPL have been commercialised during the current year and have received very positive response in the Indian market.

SBPL has closed its books of accounts as at March 31, 2014 with a Profit After Tax (PAT) of Rs. 44.64 Lacs.

Span Biotherapeutics Pvt Ltd

During the year, Span Biotherapeutics Pvt. Ltd., subsidiary Company ceased to be a subsidiary Company with effect from May 27, 2013.

DIRECTORS' REPORT

Span Diagnostics South Africa (PTY) Limited

To accelerate its future growth, the company has formed a joint venture Company during year 2011-12 with Reindus Health (Pty) Limited for focusing on market developments of Span's product in SADC region, covering 14 countries of Southern African continent. The company's strategy is showing very positive results, with excellent growth in the business over previous year. The company is contemplating to increase stake in this venture for enhanced presence in SADC region.

Span Nihon Kohden Diagnostics Private Limited (SNKD)

A joint venture Company between Nihon Kohden Corporation, Japan and Span Diagnostics Limited, India, started its operation from December 2008 and since then continues to manufacture high quality reagents for Hematology Analysers for distribution and sale in India

SUBSIDIARIES

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the annual accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

CORPORATE GOVERNANCE

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The certificate from the Auditors of the company M/s Haribhakti & Co confirming compliance with the conditions of Corporate Governance is attached to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. 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 ended March 31, 2014 and of the loss of the Company for that year;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the accounts on a going concern basis.

FIXED DEPOSITS

At the close of the year, there were no fixed deposits due for payment that remained either unclaimed or unpaid. There were no claims as against the deposits outstanding as at the close of the year and the Company had complied with all the requirements of the Companies (Acceptance of Deposits) Rules, 1975.

CONSERVATION OF ENERGY

The particulars are as per Annexure 'A'

DIRECTORS' REPORT

TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNING & OUTGO

The particulars are as per Annexure 'B'

DIRECTORS

Mr. Sanjay N. Mehta, Non Executive Directors and Mr. Kamlesh M. Patel, Independent Directors of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The retirement of Director by rotation at the ensuing Annual General Meeting is determined in accordance with the provisions of the Companies Act, 1956 and the Companies Act, 2013.

Mr. Kamlesh M. Patel, Mr. Shyamal Ghosh, Mr. N Gopalaswami and Dr. Sushil K. Shah retire at the ensuing Annual General Meeting. The Company has received requisite notices in writing from members proposing them as Independent Directors.

Changes during the year

1. Ms. Lataben P. Desai stepped down from Directorship with effect from May 15, 2013.
2. Dr. Madhukanta T. Patel retired from Directorship with effect from July 01, 2013 upon completion of her tenure as Whole Time Director of the Company.
3. Dr. Pradip K. Desai was reappointed as Whole Time Director of the Company with effect from April 01, 2013 for further period of three years.
4. Mr. Veeral .P Desai was reappointed as Managing Director of the Company with effect from July 01, 2013 for further period of three years.
5. Mr. S. Sundaresan retired from Directorship with effect from July 27, 2013 upon completion of his tenure as an independent Director of the Company.

The Board places on record their appreciation of the valuable services rendered by all directors ceasing their office during their tenure on the Board.

The Board of Directors at its meeting held on March 21, 2014 has decided effect of increased remuneration of Dr. Pradip K Desai, Whole Time Director and Mr. Veeral P Desai, Managing Director subsequent to Central Government Approval shall not be given for the period upto March 31, 2014 and Dr. Pradip K Desai and Mr. Veeral P Desai shall continue to receive existing salary till March 31, 2014.

CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis and the Corporate Governance Report, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied in the statement depending on the circumstances.

AUDITORS AND AUDITORS' REPORT

M/s. Haribhakti & Co, Chartered Accountants , the auditors of the company are eligible for their reappointment. The directors recommend their reappointment for the current year.

The Notes on accounts, referred to in the Auditor's Report, are self explanatory and therefore do not call for any further comments.

DIRECTORS' REPORT

COST AUDITORS

The Board has appointed Mr. V. M. Patel & Associates, Cost Accountants to carry out cost audit for the financial year 2014 – 15 subject to approval of the Central Government.

The Company is required to maintain cost records under Section 209(1)(d) of The Companies Act, 1956 as per notification of Ministry of Corporate Affairs(MCA) dated 03/06/2011 and 21/01/2012. The Company has submitted Cost Compliance Certificate as well as Cost Audit Report to Ministry of Corporate affairs on 25/09/2013 for the year 2012 – 13. The Company had appointed M/s. Y. R. Doshi & Associates, Cost Accountants to conduct cost audit for the year 2013 – 14.

ACKNOWLEDGMENT

Your Directors are happy to place on record their appreciation of the whole-hearted co-operation and hard work of all members of SPAN family.

The Directors would like to place on record a deep sense of gratitude to the State Bank of India & IDBI Bank and Government Authorities for their co-operation and assistance rendered to the Company.

For and on behalf of the Board

Place: Surat
Dated: May 23, 2014

N. Gopalaswami **Veeral P. Desai**
Chairman **Managing Director**

DIRECTORS' REPORT
**ANNEXURE 'A'
PARTICULARS PERTAINING TO CONSERVATION OF ENERGY**

No.	Particulars	2013-14	2012-13
1.	Power and fuel consumption		
A.	Electricity		
a)	Purchased		
	Unit (in Kwh)	28,87,541	27,57,424
	Total amount (Rs.)	2,12,85,471	1,93,18,926
	Rate/unit (Rs.)	7.37	7.01
b)	Own generation		
(i)	Through diesel generator		
	Unit (in Kwh)	14,432	12,696
	Unit per liter of diesel Oil	2.93	2.97
	Cost/Unit (in Rs.)	20.98	17.97
(ii)	Through steam turbine/generator	N.A	N.A
	Unit (in Kwh)		
	Unit per liter of fuel		
	Cost/Unit (in Rs.)		
B.	Coal (Specify quality and where used)	N.A	N.A
	Quantity (tones)		
	Total cost		
	Average Rate		
C.	Light Diesel Oil		
	Quantity (K. Liter)	21,530	18,400
	Total Amount (Rs.)	12,22,984	8,66,992
	Average Rate (Rs./K. Liter)	56.8	47.12
D.	Other/Internal generation		
	Total Cost	Nil	Nil
	Rate / Unit	Nil	Nil
2.	Consumption per unit of production	Standards if any	
	Products Units Electricity Furnace Oil Coal & Others	Considering the number of products being manufactured by the company and production activity not being energy sensitive, the Company is not in a position to give the information required as per this format for the current year as well as the previous year. Regular steps are being taken to improve the energy conservation.	

DIRECTORS' REPORT

ANNEXURE 'B'

Form of disclosure of particulars with respect to Absorption of Technology, Research & Development (R & D)

1. Specific areas in which R&D was carried out by the Company:

The Company has In-house R&D unit which is recognized by the Department of Scientific and Industrial Research. The said R&D Unit provides significant support to the business through continuous innovation of products, processes, packaging modes and services. Full fledged R & D work is carried out for development of diagnostics products, reagent chemicals, packaging and analytical process. Currently, the Company is focusing on:

- Development and Improvement of HCV Tests
- Development of 4th Generation HIV ELISA Test kit
- Improvement of Malaria tests
- Development of RT-PCR for tuberculosis
- Development of RT-PCR for HIV, HCV and HBV (Monoplex and multiplex)
- Development of rapid LAMP assays for tuberculosis and typhoid.
- Pilot scale production of recombinant antigens for Treponema, Leishmania and filaria
- Process development for HBsAg Purification

2. Benefits derived as a result of the above R & D:

- Continual improvement and upgradation in existing technology for quality improvement
- Cost reduction
- Import substitution of critical raw materials and Diagnostic reagents

3. Future plans:

The R & D activity will continue to emphasize the main areas set out above and especially on the development of new technologies, new products and processes.

Expenditure on R & D :

Sr. No.	Description	2013-14 (Rs.)	2012-13 (Rs.)
1	Capital	Nil	8,32,102
2	Recurring	1,63,63,177	1,60,09,970
3	Total	1,63,63,177	1,68,42,019
4	Total R & D expenditure as percentage of total Turnover	2.08%	2.13%
5	Total R & D expenditure as percentage of total expenses	1.95%	2.15%

4. Technology absorption, adaptation and innovation

Efforts in brief, made towards technology absorption, adaptation and innovation:

The processes for new formulations were adopted by modifying them to suit local equipments and raw materials specification. Innovations were made to improve the yield.

DIRECTORS' REPORT

Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

Cost reduction was achieved due to replacement of imported raw materials with indigenous raw materials developed by in house R&D. The status of absorption of technology imported for last five years are given below:

Sr. No.	Technology Imported	Year of Import	Has the technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.
a	Manufacture of Flow through test for simultaneous detection of treponemal and non-treponemal antibodies	2009	Yes	Not Applicable
b	Modified Flow through test for infectious disease	2010	Yes	Not Applicable
c	Manufacture of HRP-II Antigen – 1C1B3-1D9; 5H5G12-10D4	2013	Yes	Not Applicable

5. FOREIGN EXCHANGE EARNING AND OUTGO

Sr. No.	Description	2013-14 (Rs.)	2012-13 (Rs.)
1	Total Foreign Exchange Earned	11,24,88,520	8,98,24,398
2	Total Foreign Exchange Outgo	19,36,86,578	16,69,06,841

For and on behalf of the Board

Place: Surat
Dated: May 23, 2014

N. Gopaldaswami
Chairman

Veeral P Desai
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of Span Diagnostics Limited

We have examined the compliance of conditions of Corporate Governance by Span Diagnostics Limited, for the year ended on 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 was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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 and on behalf of
Haribhakti & Co.
Chartered Accountants
FRN No. 103523W

Prashant M. Maharishi
Membership No.:41452
Place: Ahmedabad
Date: May 23, 2014

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Business objective of Span Diagnostics Limited (Span), its management and its employees is to manufacture and market the company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy. Span is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, Span endeavors to ensure that highest standard of ethical conduct are met throughout the organization. Different eco-systems need specific solution to meet demand of legal compliances and regulations. However, there is a single thread which runs through the tapestry of governance which ensures that the affairs of a company be controlled and regulated in a manner which is transparent, ethical and accountable.

BOARD OF DIRECTORS

Composition, attendance at the Board Meetings during 2013-14 and the last Annual General Meeting, outside directorship and Membership / Chairmanship of Board Committees of other companies for the year ended / as at March 31, 2014

Director	No. of Board Meetings attended	Attendance at last AGM	No. of outside Directorship held	No. of membership/ chairmanship in other Board Committees		Executive, Non-Executive / Independent
				Chairmanship	Membership	
Mr. N. Gopaldaswami	6	Yes	1	2	4	Independent Non-Executive
Ms. Lataben P. Desai*	1	Yes	1	1	1	Promoter Non-Executive
Dr. Pradip K. Desai	6	Yes	7	Nil	1	Promoter & Executive
Mr. Veeral P. Desai	6	Yes	4	1	3	Promoter & Executive
Dr. (Ms.) Madhukanta T. Patel*	1	Yes	NIL	Nil	Nil	Executive
Mr. Sanjay N. Mehta	6	Yes	5	Nil	3	Independent Non-Executive
Dr. Pranav S. Desai	4	No	1	Nil	1	Promoter & Non-Executive
Dr. Sushil K. Shah	5	Yes	15	5	6	Independent Non-Executive
Mr. Shyamal Ghosh	6	Yes	2	1	5	Independent Non-Executive
Mr. S. Sundaresan*	1	No	Nil	Nil	3	Independent Non-Executive
Mr. Kamlesh M Patel	6	Yes	1	Nil	Nil	Independent Non-Executive

*Ms. Lataben P. Desai and Dr. Madhukanta T. Patel have retired from the Company w.e.f May 15, 2013 and July 01, 2013 respectively. *Mr. S. Sundaresan was retired at the last Annual General Meeting held on July 27, 2013.

Note: 1. This excludes directorship in overseas companies

Details of Board meeting

Date	Board Strength	No. of Directors present
May 15, 2013	11	10
July 27, 2013	8	7
October 24, 2013	8	7
January 23, 2014	8	8
February 04, 2014	8	8
March 21, 2014	8	8

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Audit Committee was reconstituted on May 15, 2013. The Committee comprises of four Independent Directors, namely Mr. Shyamal Ghosh, Chairman, Mr. N. Gopaldaswami, Mr. Kamlesh M. Patel and Mr. Sanjay N. Mehta. During the year, Mr. Kamlesh M. Patel being Independent Director was inducted as member of the Audit Committee. Mr. Pankaj Ajmera, Company Secretary acts as the secretary to the Audit Committee. The composition and the Terms of Reference of the Audit Committee meet with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

There were four meetings held during the year.

Attendance of each member at the Audit Committee meetings held during the year

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Shyamal Ghosh, Chairman	4	4
Mr. N. Gopaldaswami	4	4
Mr. Sanjay N. Mehta	4	4
Mr. Kamlesh M. Patel	4	3
Mr. S. Sundaresan*	4	1

*Mr. S. Sundaresan was retired at last Annual General Meeting of the Company held on July, 27, 2013.

The brief description of the terms of reference of the Audit Committee is as under:

Powers of Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

CORPORATE GOVERNANCE REPORT

12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
16. To review the following information:
 - a. The management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of Internal Auditors.
17. Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee was reconstituted on May, 15 2013. The Remuneration Committee comprises of four directors of which three directors are independent & Non Executive Director.

There were one remuneration committee meeting held during the year.

Attendance of each member at the Remuneration Committee Meetings held during the year.

Name of the Director	No. of meetings held	No. of meetings attended	Designation
Mr. N. Gopaldaswami	1	1	Independent Non-Executive Director
Mr. Sanjay N. Mehta	1	0	Independent Non-Executive Director
Mr. Shyamal Ghosh	1	1	Independent & Non-Executive Director
Mr. Veeral P. Desai	1	1	Managing Director
*Mr. N. Sundaresan	1	1	Independent & Non-Executive Director

*Mr. N. Sundaresan was retired at last Annual General Meeting of the Company held on July 27, 2013.

The main term of reference of Remuneration Committee is to review and recommend the revision in remuneration of managerial personnel to the Board of Directors. The Remuneration Committee while reviewing the remuneration considers the industry remuneration standards, educational qualification, relevant experience and performance of the concerned managerial personnel vis-à-vis the company requirements.

Details of remuneration paid to all directors 2013-14

Name of the Director	Sitting Fee	Salary, Allowance & Perquisites	Contribution to Provident Fund and other funds	Commission	Total
Dr. Pradip K. Desai		33,54,600	8,10,000	Nil	41,64,600
Mr. Veeral P. Desai		33,43,800	9,35,000	Nil	42,78,800
Dr. Madhukanta T. Patel*		4,55,588	1,16,875	Nil	5,72,463
Ms. Lataben P. Desai*	5,000	Nil	Nil	Nil	5,000
Mr. Sanjay N. Mehta	50,000	Nil	Nil	Nil	50,000
Dr. Pranav S. Desai	20,000	Nil	Nil	Nil	20,000
Dr. Sushil K. Shah	25,000	Nil	Nil	Nil	25,000
Mr. Shyamal Ghosh	50,000	Nil	Nil	Nil	50,000
Mr. S. Sundaresan*	10,000	Nil	Nil	Nil	10,000
Mr. Kamlesh M. Patel	45,000	Nil	Nil	Nil	45,000
Mr. N. Gopaldaswami	50,000	Nil	Nil	Nil	50,000

CORPORATE GOVERNANCE REPORT

*Ms. Lataben P Desai and Dr. Madhukanta T. Patel have retired from the Company w.e.f May 15, 2013 and July 01, 2013 respectively. *Mr. S. Sundaresan was retired at the last Annual General Meeting held on July 27, 2013.

Mr. Sanjay N. Mehta, a non-executive director is a partner of M/s. Akkad Mehta & Co. Chartered Accountants which has professional relationship with the Company. The Company paid Rs. 4,50,000 (plus applicable service-tax) to them during the year.

Mr. Shyamal Ghosh, an Independent Non-executive Director was paid Rs. 4,00,000 (plus applicable service-tax) towards professional fees.

SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE

Investors Grievance Committee comprises of three non-executive directors namely Mr. Kamlesh M. Patel (Chairman), Dr. Pranav S. Desai and Mr. Sanjay N. Mehta; and Dr. Pradip K. Desai, Whole-Time director.

Mr. Pankaj Ajmera, Company Secretary is the Compliance Officer.

There were 2 complaints received from shareholders / investors during the year 2013-14 and were solved to the satisfaction of the complainants and no investor complaint was pending at the beginning or at the end of the year. All valid requests for share transfers received were acted upon by the Company and no such transfer is pending.

HUMAN RESOURCES COMMITTEE:

The Board of Directors of the Company has constituted Human Resource Committee to be called as HR Committee to review Human Resource Policy & Employee Performance. The Committee comprises of two Non Executive Directors namely Mr. N Gopaldaswami (Chairman), Mr. Shyamal Ghosh and one executive directors namely Mr. Veeral P. Desai, Managing Director of the Company.

There were three HR Committee meeting held during the year.

Attendance of each member at the HR Committee Meetings held during the year.

Name of Members	No. of meetings held	No. of meetings attended	Designation
Mr. N. Gopaldaswami	3	3	Independent Non Executive Director
Mr. Shyamal Ghosh	3	2	Independent Non Executive Director
Mr. Veeral P. Desai	3	3	Managing Director
Mr. S. Sundaresan*	3	1	Independent Non Executive Director

*Mr. S. Sundaresan was retired at last Annual General Meeting of the Company held on July 27, 2013.

MANAGING COMMITTEE

The Board of Directors of the Company has constituted Managing Committee to review business plan & performance of various Strategic Business Units of the Company. The Committee comprise of Mr. Veeral P. Desai, Chairman, Mr. N. Gopaldaswami, Independent Director, Mr. Sanjay N. Mehta, Independent Director, Mr. Shyamal Ghosh, Independent Director, Mr. Paras B. Desai, Vice President Corporate Finance & Strategy and Ms. Sujata V. Desai, Chief Operating Officer of the Company.

There was one Managing Committee meeting held during the year.

Attendance of each member at the Managing Committee Meetings held during the year.

CORPORATE GOVERNANCE REPORT

Name of Members	No. of meetings held	No. of meetings attended	Designation
Mr. N. Gopaldaswami	1	1	Independent Non-Executive Director
Mr. Veeral P. Desai	1	1	Managing Director
Mr. Shyamal Ghosh	1	1	Independent Non-Executive Director
Mr. Sanjay N. Mehta	1	1	Independent Non-Executive Director
Mr. Paras B. Desai	1	1	Vice President Corporate Finance & Strategy
Ms. Sujata V. Desai	1	1	Chief Operating Officer

GENERAL BODY MEETING

i) Location and time of last three Annual General Meeting & Special/Ordinary Resolutions passed in previous three Annual General Meeting were as under:

Year	Venue	Date	Time	Resolution passed
2012-13	Registered Office at : Plot No. 173-B, New Industrial Estate Road No. 6G, Udhna, Surat 394 210.	July, 27, 2013	10:30 a.m.	<ul style="list-style-type: none"> Re-Appointment of Mr. Veeral P. Desai as Managing Director of the Company for a further period of 3 years
2011-12	Registered Office at : Plot No. 173-B, New Industrial Estate Road No. 6G, Udhna, Surat 394 210.	August 8, 2012	10.30 a.m.	<ul style="list-style-type: none"> Appointment of Mr. N. Gopaldaswami as Director of the Company Re-appointment of Dr. Madhukanta T Patel as Whole Time Director of the Company for a further period of 1 year Increase in borrowing power of Board of Directors to Rs. 75 Crores Re-appointment of Mr. Shyamal Ghosh as Management Consultant for a further period of 3 years Revision in the terms of Remuneration of Ms. Sujata V. Desai – Chief Operating Officer of the Company
2010-11	Registered Office at : Plot No. 173-B, New Industrial Estate Road No. 6G, Udhna, Surat 394 210.	August 6, 2011	2.30 pm	There was no special resolution passed.

ii) Whether any special resolution passed last year through postal ballot – details of voting pattern:

There was one special resolution passed through postal ballot as follows:

“RESOLVED THAT, pursuant to the provisions of Section 293(1)(a) and Section 192A of the Companies Act., 1956 and Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 and subject to applicable provisions, if any, of the Companies Act, 1956 and the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and provisions of the Memorandum and Articles of Association of the Company and such other approvals, consents, permissions and sanctions from any regulatory or governmental authority or the Company’s bankers or third party as may be required and which may be agreed by the Board, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the **“Board”**) to transfer, sell or otherwise dispose of its business of In-Vitro Diagnostics, (more particularly described as “In-Vitro Diagnostics Undertaking”) along with all employees, assets, liabilities including all licenses, leases, permits, consents and approvals thereto as a going concern by way of a slump sale to M/s. Arkray Healthcare Private Limited for a consideration of about Rs. 784,000,000 (Rupees Seven Hundred and Eighty Four Million only) subject to necessary adjustment as on the effective date.

RESOLVED FURTHER THAT “In-Vitro Diagnostics Undertaking “for the purpose of the above resolution means substantially the entire business undertaking of the Company including:

CORPORATE GOVERNANCE REPORT

- a) All assets and properties of the Company, whether movable or immovable (owned or leased), tangible or intangible (including brand names) real or personal, in possession or reversion, corporeal or incorporeal, of whatsoever nature, all lands, buildings, plant and machinery, offices, capital work in progress, rolling stock, current assets (including inventories, sundry debtors, bills of exchange. Loans and advances) benefits of any deposits, benefit of any bank guarantees, performance guarantees and letters of credit in relation to its "in-vitro diagnostics undertaking" including but not limited to the entire plants at Plot No. 336, 338, 340 at G.I.D.C Sachin, Surat – 394 230 and plant/office situated at 173 – B, New Industrial Estate, Road No. 6 – G, Udhna, Udhyanagar, Surat – 394 210 in State of Gujarat.
- b) All permits, quotes, rights, entitlements, industrial and other licences, patents, copyright, record, designs, research & development, applications, sales and marketing organization and all other intellectual property rights pertaining to the In-Vitro Diagnostics Undertaking, municipal and governmental permissions, approval, consents and other permissions, lease rights, licences, power and facilities of every kind, nature and description whatsoever:
- c) All earnest moneys and/or security deposits paid by the Company in connection with or relating to the business of In-Vitro Diagnostics Undertaking.
- d) All books, records, files, papers, engineering and process information, computer manuals, data catalogues, quotations, sales and advertising materials, lists or present customer pricing information and other records whether in physical or electronics form in connection with or relating to the business of In-Vitro Diagnostics Undertaking
- e) All debts, borrowings, obligations and liabilities, both present and future, (including contingent liabilities and obligations under any licenses of permits or schemes), other than specified excluded liabilities whether secured or unsecured, appertaining or directly relating to the business of in-vitro diagnostics undertaking.

but excluding the following;

1. Certain agreements entered into between the Company and Span Diagnostics S.A.R.L. France including any products or other Intellectual Property developed pursuant to the same,
2. Agreements, Technical entered into between the Company and Span Nihon Kohden Diagnostics Private Limited including the investments made and intellectual property developed there under,
3. Tax refunds receivable,
4. Certain identified intellectual property including the corporate name and domain names of the Company,
5. Any amounts representing unpaid dividends,
6. The investment in, loans granted to and contracts entered into with, Span Diagnostics South Africa (Pty) Limited,
7. Accounting software licensed to the Company,
8. Certain identified specific products, and
9. The immovable property located at Kolkata.

RESOLVED FURTHER THAT, in the event of any difficulty arising as to whether any particular item or thing is a part of the In-Vitro Diagnostics Undertaking, the Board shall have full power and authority to determine the same.

CORPORATE GOVERNANCE REPORT

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution in the best interest of the Company and its shareholders including entering into any agreements and documents necessary for the transfer of the In-Vitro Diagnostics Undertaking, the Board may in its absolute discretion deem necessary or desirable.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any other powers to any person for the purpose of giving effect to the aforesaid resolutions.

FURTHER RESOLVED THAT the powers vested vide this resolution shall be deemed to be the powers under the provisions of the Companies Act, 2013 that may be notified subsequent to the date of this notice.”

A DETAIL OF VOTING PATTERN IS AS FOLLOW:

A. Results/Voting Pattern of Postal Ballot

Name of the Director	No of Postal Ballot Forms	No. of Shares	% of Total Paid up Equity Capital	% of Total Issued Shares
Total postal ballot forms received.	205	50,66,815	69.64%	69.64%
Less: Invalid postal ballot forms	8	1,07,640	1.48%	1.48%
Net valid postal ballot forms	197	49,59,175	68.16%	68.16%
Particulars	No. of Postal Ballot Forms	No. of Share Voted	% of Share Voted	% of Share Voted
Postal ballot forms with assent for the Resolution	191	49,57,683	99.97%	99.97%
Postal ballot forms with dissent for the Resolution	6	1,492	0.03%	0.03%

B. Category wise Postal Ballot Result/Voting Pattern

Promoter / Public	No. of Shares Held	No. of Votes Held	No. of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of Votes in Favour on Votes Polled	% of Votes Against on Votes Polled
	(1)	(2)	(3) (2)/(1)*100	(4)	(5)	(6) (4)/(2)*1	(7) (5)/(2)*100
Promoter & Promoter Group	32,14,428	32,14,428	100.00	32,14,428	0	100.00	0
Public Institutional Holders	0	0	0	0	0	0	0
Public / Others	40,61,572	17,44,747	42.96	17,43,255	1,492	99.91	0.09
Total	72,76,000	49,59,175	68.16	49,57,683	1,492	99.97	0.03

III) Person who conducted the postal ballot exercise: **Mr. Kunjal Dalal**
K. Dalal & Co.
Practicing Company Secretary, Surat

IV) There was no resolution proposed to be conducted through postal ballot.

V) Procedure for postal ballot: Not applicable

CORPORATE GOVERNANCE REPORT

DISCLOSURES

None of the transactions with any of the related party were in conflict with the interest of the Company at large. The members may refer to Note No. 31 to the Accounts for details of transactions with the related parties. During the year 2013-14, no transactions of material nature have been entered into by the Company with the Promoters or Directors or Management, their subsidiaries or their relatives that may be in potential conflict with the interests of the Company.

There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

The Company has adopted a code of conduct for its director and senior management and the code of conduct has been put on the Company's website www.span.co.in. This code of conduct has been communicated to each of them. A declaration signed by the Managing Director of the Company is given below:

I hereby confirm that the Company has obtained from all the members of the Board and management personnel, affirmation that they have complied with the Code of Conduct in respect of financial year 2013-14.

Veeral P. Desai
Managing Director

Whistle Blower Mechanism

The Company has established a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and the same has been communicated within organization. During the year under review, Company has not received any complaint.

The Company has complied with the mandatory requirements of clause 49 of the listing agreement providing for corporate governance. In view of elaborate disclosure requirement under listing agreement, publication of un-audited financial statements along with major developments every quarter and size of the Company, the Company has not gone for implementation of non-mandatory requirements. The Company will consider their adoption at an appropriate stage.

MEANS OF COMMUNICATION

Half-Yearly report to Shareholders, Quarterly Results, Newspaper in which published, Website etc.

The quarterly and annual results are generally published in edition of the Economic Times, Ahmedabad and Satyam Times, Surat. The half-yearly reports are not sent to shareholders. Official news releases and presentations made to analyst are sent to the stock exchange at Mumbai, where shares of the Company are listed.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from the Auditors of the Company, M/s. Haribhakti & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 is attached to the Directors' Report forming part of the Annual Report.

CEO/CFO CERTIFICATION

The Managing Director and Vice President Corporate Finance & Strategy of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of Listing Agreement.

GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting

Day, Date & Time	Friday, August 8, 2014 at 10.30 a.m.
Venue	Plot NO. 173 – B, New Industrial Estate, Road No. 6G, Udhna, Surat 394 210

CORPORATE GOVERNANCE REPORT

(b) Financial Calendar

Financial Year: April 1 to March 31

For the financial year 2013 – 14, the results were announced as per the following details:

1st Quarter ended on June 30, 2013	On July 27, 2013
2nd Quarter ended on September 30, 2013	On October 24, 2013
3rd Quarter ended on December 31, 2013	On January 23, 2014
Audited Financial Result for the year ended on March 31, 2014	On May 23, 2014

For the financial year 2014 – 15, Financial results will be announced as per the following tentative schedule:

1st Quarter ended on June 30, 2014	First week of August, 2014
2nd Quarter ended on September 30, 2014	First week of November, 2014
3rd Quarter ended on December 31, 2014	First week of February, 2015
Audited Financial Result for the year ended on March 31, 2015	Last week of May, 2015

(c) Date of Book Closure

The Company's Register of Member's & Share Transfer Book will remain closed from July 30, 2014 to August 08, 2014 (both days inclusive).

(d) Listing of Stock Exchange and Stock Code

Shares of the company are listed on the Bombay Stock Exchange Limited, Mumbai (Scrip Code: 524727).

(e) Market Price Data:

High / Low in each month of year 2013-14 on the Bombay Stock Exchange Limited, Mumbai.

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April	38.00	29.10	October	30.10	25.70
May	32.00	23.70	November	31.70	24.55
June	26.30	23.25	December	27.50	25.00
July	28.35	22.75	January	37.35	25.80
August	31.90	25.35	February	45.35	34.70
September	28.70	24.55	March	41.20	36.20

(f) Performance in Comparison to BSE Sensex :

Month & Year	Closing Sensex	% Change	Closing Price of Company's share	% Change
April 2013	19504.18	3.55	32.50	-1.22
May 2013	19760.30	1.31	23.80	-26.77
June 2013	19395.81	-1.84	23.50	-1.26
July 2013	19345.70	-0.26	26.65	13.40
August 2013	18619.72	-3.75	27.00	1.31
September 2013	19379.77	4.08	27.00	0.00
October 2013	21164.52	9.21	28.90	7.04
November 2013	20791.93	-1.76	25.40	-12.11
December 2013	21170.68	1.82	26.40	3.94
January 2014	20513.85	-3.10	37.35	*41.48
February 2014	21120.12	2.96	39.80	6.56
March 2014	22386.27	5.99	38.00	-4.52

*Rise in change is mainly due to press release issued by the Company for sale of its In-Vitro Diagnostics Undertaking to M/s. Arkray Healthcare Private Limited on slump sale basis.

CORPORATE GOVERNANCE REPORT

(g) Registrar & Transfer Agents & Share Transfer System

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078

The requests for share transfer involving 1,57,000 shares are processed and approved by the Registrar & Transfer Agents under the delegated authority. Other valid requests are placed before the Investors Grievances Committee. The minutes of the Investors Grievances Committee is placed before the Board meeting for information.

The share transfer formalities are audited by a practicing company secretary on a half-yearly basis and a copy of the audit report is filed with the stock exchange under clause 47(c) of the listing agreement.

(h) Categories of Shareholding and Dematerialisation of Shares as on March 31, 2014

Category	Numbers of Shares in Physical form	Number of Shares in Dematerialised form	Number of Total Shares	Percentage of aggregate holding to Total Share Capital
Promoters	73,920	31,40,508	32,14,428	44.18%
Foreign institutional investors	-	-	-	-
Public financial institutions	-	-	-	-
Mutual funds	-	-	-	-
Nationalized banks and other banks	-	-	-	-
NRI's and OCB's	1,66,818	11,52,466	13,19,284	18.13%
Others (includes holding of Corporate Bodies)	3,71,184	23,71,104	27,42,288	37.69%
TOTAL	6,11,922	66,64,078	72,76,000	100 %
Percentage	8.41 %	91.59 %	100 %	

(i) Distribution of Share Holding as on March 31, 2014

No. of Shares	Number of shareholders	Percentage of Total	Number of Shares	Percentage of Total Shares	No. of Shares	Number of shareholders	Percentage of Total	Number of Shares	Percentage of Total Shares
1 to 500	2772	83.42	5,01,743	6.90	4,001 to 5,000	10	0.30	47,444	0.65
501 to 1,000	235	7.07	1,91,387	2.63	5,001 to 10,000	44	1.32	3,53,288	4.86
1,001 to 2,000	125	3.76	1,97,857	2.72	10,001 & above	69	2.08	57,81,921	79.47
2,001 to 3,000	42	1.26	1,06,215	1.45	Total	3323	100.00	72,76,000	100.00
3,001 to 4,000	26	0.78	96,145	1.32					

(j) Outstanding ADRs / GDRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

There were NIL convertible share warrants outstanding as on March 31, 2014.

(k) Plant Location:

The Company's plant is located at Plot No. 336, 338, 340, Road No. 3 GIDC, Sachin, Dist: Surat

(l) Registered Office & Address for correspondence:

173-B, New Industrial Estate, Road No. 6G, Udhna, Surat 394210

Email: finance@span.co.in

Website: www.span.co.in

For and on behalf of the Board of Directors

Date : May 23, 2014
Place : Surat

N. Gopalaswami
Chairman

Veeral P. Desai
Managing Director

INDEPENDENT AUDITORS' REPORT

To the Members of Span Diagnostics Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Span Diagnostics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.

INDEPENDENT AUDITORS' REPORT

2. As required by Section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- 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 Act.

For Haribhakti & Co.
Chartered Accountants
FRN No.103523W

Prashant M. Maharishi
Partner
Membership No.41452

Place : Ahmedabad
Date : May 23, 2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Span Diagnostics Limited on the financial statements for the year ended March 31, 2014]**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) During the year, the Company has entered into an agreement to disposed off a substantial part of the Fixed Assets. On the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we are of the opinion that the disposal of the said part of fixed assets has not affected the going concern status of the Company.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory 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 is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) The Company has granted loan to two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,35,90,384 and the year-end balance of loans granted to such parties was Rs. 1,15,40,114.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (c) The parties have repaid the principal amounts as stipulated and have also been regular in the payment of interest to the company.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company had taken loan from 1 companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 43,00,000 and the year-end aggregate balance of loans taken from such parties was Rs. 28,00,000.
- (f) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loans, the company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, 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 and services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rs. five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the company in respect of the aforesaid deposits.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending
The Bombay Sales Tax Act, 1959	Sales Tax	4,89,142	1998-99	Tribunal
The Bombay Sales Tax Act, 1959	Sales Tax	1,11,245	1997-98	Commissioner Appeals
The Bombay Sales Tax Act, 1959	Sales Tax	2,37,451	1996-97	Tribunal
The income Tax Act, 1961	Income Tax	2,16,07,889	AY 2003-04	ITAT

- (x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. Further, the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, 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.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co.,
Chartered Accountants
Firm Registration No. 103523W

Prashant M. Maharishi
Partner
Membership No.41452

Place : Ahmedabad
Date : May 23, 2014

BALANCE SHEET AS AT MARCH 31, 2014

	Note	As at 31-3-2014 Rs.	As at 31-3-2013 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	7,27,60,000	7,27,60,000
Reserves & Surplus	4	16,46,23,536	2,160,21,915
		<u>23,73,83,536</u>	<u>28,87,81,915</u>
Non Current Liabilities			
Long term Borrowings	5	8,62,76,964	13,74,97,971
Deferred Tax Liabilities (Net)	6	4,28,01,370	3,34,05,514
Long Term Provisions	7	63,49,937	68,49,237
		<u>13,54,28,271</u>	<u>17,77,52,722</u>
Current Liabilities			
Short Term Borrowings	8	19,35,63,765	19,00,85,802
Trade Payables	9	10,48,08,429	5,05,58,965
Other Current Liabilities	10	22,20,71,959	15,56,33,256
Short Term Provisions	11	85,72,174	2,33,45,098
		<u>52,90,16,327</u>	<u>41,96,23,121</u>
		<u>90,18,28,134</u>	<u>88,61,57,758</u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	12	30,09,52,045	29,35,96,192
Intangible Assets	12	12,46,89,884	8,56,93,232
Capital Work-in-Progress	12	77,36,130	2,16,48,823
Intangible Assets under Development	12	3,63,15,357	5,69,00,041
Non Current Investments	13	64,05,005	70,04,905
Long Term Loans and Advances	14	3,24,02,000	3,43,29,738
Other Non Current Assets	15	30,96,031	66,09,081
		<u>51,15,96,452</u>	<u>50,57,82,012</u>
Current Assets			
Inventories	16	17,04,49,058	14,12,77,535
Trade Receivables	17	17,52,44,069	19,19,95,406
Cash and Cash Equivalents	18	1,50,14,955	1,86,42,735
Short term Loans and Advances	19	2,95,23,600	2,84,60,070
		<u>39,02,31,682</u>	<u>38,03,75,746</u>
		<u>90,18,28,134</u>	<u>88,61,57,758</u>
Summary of Significant Accounting Policies			
see notes accompanying financial statements.	2		
The notes on financial statements form an integral part of the financial statements.	1 to 36		

As per our Report of even date :
For Haribhakti & Co.,
 Chartered Accountants
Firm Registration No. 103523W

Prashant M. Maharishi
 Partner
 Membership No. 41452

Place : Ahmedabad
 Date : May 23, 2014

For and on behalf of the Board of Directors

N. Gopaldaswami *Chairman*
Veeral P. Desai *Managing Director*
Pankaj Ajmera *Company Secretary*

Place : Surat
 Date : May 23, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note	2013-14 Rs.	2012-13 Rs.
INCOME			
Revenue from Operations	20	78,66,11,983	78,97,22,351
Other Income	21	1,00,66,686	1,05,36,911
Total Revenue		<u>79,66,78,669</u>	<u>80,02,59,262</u>
EXPENSES			
Cost of Materials Consumed	22	31,11,38,993	26,22,09,701
Purchase of Stock-in-Trade		3,33,20,756	2,83,23,215
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(1,82,15,230)	1,58,01,141
Employee Benefits Expense	24	16,40,29,777	15,45,05,097
Finance Costs	25	4,41,32,429	3,77,71,052
Depreciation and Amortisation Expense		4,76,72,768	3,03,84,936
Other Expenses	26	25,68,60,374	25,38,16,485
Total Expenses		<u>83,89,39,867</u>	<u>78,28,11,627</u>
PROFIT BEFORE EXCEPTIONAL ITEMS & TAX		(4,22,61,198)	1,74,47,635
Add : Exceptional Items		--	--
PROFIT BEFORE TAX		(4,22,61,198)	1,74,47,635
Profit/(Loss) before tax from continuing operation		(51,09,765)	(54,97,792)
Tax Expenses		--	--
MAT Credit Entitlement/(Utilisation)		--	--
Tax Adjustment of earlier year		--	--
Deferred Tax		--	--
Income tax expense for continuing operation		--	--
Profit/(Loss) after tax from continuing operation		(51,09,765)	(54,97,792)
Profit/(Loss) before tax from discontinuing operation		(3,71,51,435)	2,29,45,428
Tax Expenses		--	(28,00,000)
MAT Credit Entitlement/(Utilisation)		--	25,90,000
Tax Adjustment of earlier year		2,58,675	84,849
Deferred Tax		(93,95,856)	(79,60,342)
Income tax expense for discontinuing operation		(91,37,181)	(8,0,85,493)
Profit/(Loss) after tax from discontinuing operation		(4,62,88,616)	1,48,59,935
Profit/(Loss) after tax for the year		<u>(5,13,98,379)</u>	<u>93,62,142</u>
Earning per equity share – Basic & Diluted (Rs.) (Nominal Value per share of Rs.10/- each (Previous year -Rs.10/- each))	27	(7.06)	1.29
Summary of Significant Accounting Policies see notes accompanying financial statements.	2		
The notes on financial statements form an integral part of the financial statements.	1 to 36		

As per our Report of even date :
For Haribhakti & Co.,
Chartered Accountants
Firm Registration No. 103523W
Prashant M. Maharishi
Partner
Membership No. 41452

Place : Ahmedabad
Date : May 23, 2014

For and on behalf of the Board of Directors

N. Gopaldaswami *Chairman*
Veeral P. Desai *Managing Director*
Pankaj Ajmera *Company Secretary*

Place : Surat
Date : May 23, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	2013-14 Rs.	2012-13 Rs.
A CASH FLOW FROM THE OPERATING ACTIVITIES		
PROFIT BEFORE TAX	(4,20,02,523)	1,75,32,485
Depreciation and Amortization	4,76,72,768	3,03,84,936
Dividend Income	(39,40,411)	(28,55,428)
Interest Charged	4,41,32,429	3,77,71,052
Loss on Discarded Assets	84,742	--
Loss/(Profit) on sales of fixed assets (Net)	--	(21,251)
Operating Profit before working capital changes	4,59,47,005	8,28,11,794
Adjusted for Change in		
(Increase)/ Decrease in Short term loans and Advance	(10,63,529)	1,90,09,383
(Increase)/ Decrease in Trade receivable	1,67,51,336	(5,97,42,966)
(Increase)/ Decrease in Long term loans and Advance	51,58,098	(23,78,337)
(Increase)/ Decrease in Other non Current assets	27,33,013	9,17,009
(Increase)/ Decrease in Inventories	(2,91,71,523)	2,60,19,548
Increase/(Decrease) in long term provision	(4,99,300)	10,36,507
Increase/(Decrease) in Trade payable	5,42,49,465	(1,12,90,781)
Increase/(Decrease) in Other current Liabilities	95,50,574	2,51,50,293
Increase/(Decrease) in Short term provision	(1,05,44,749)	1,12,94,866
Cash generated from operations	9,31,10,389	9,28,27,316
Less Direct taxes paid during the year	32,30,359	59,87,129
Cash flow before Extra-ordinary items	8,98,80,030	8,68,40,187
Net cash flow from operating activities	8,98,80,030	8,68,40,187
Net cash flow from operating activities for continuing operation	(54,20,779)	(79,83,809)
Net cash flow from operating activities for discontinuing operation	9,53,00,809	9,48,23,997
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition in Fixed Assets and Capital Work in Process	(5,96,55,313)	(13,24,94,116)
Proceeds from Sales of Fixed Assets	42,674	3,27,397
Proceeds from Sales of Investment	5,99,900	--
Proceeds/(Investment in Fixed Deposit having original maturity more than 90 days	(9,65,869)	(11,48,557)
Dividend Income	39,40,411	28,55,428
Net cash used in investing activities	(5,60,38,197)	(13,04,59,848)
Net cash flow from investing activities for continuing operation	36,00,000	36,00,000
Net cash flow from investing activities for discontinuing operation	(5,96,38,197)	(13,40,59,848)
C CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/Proceeds(of) from Borrowings	90,41,469	8,55,42,073
Interest paid	(4,41,32,429)	(3,77,71,052)
Dividend & Corporate Dividend Tax paid	(41,24,559)	(1,83,998)
Net cash flow from financing activities	(3,92,15,519)	4,75,87,023
Net cash flow from financing activities for continuing operation	--	--
Net cash flow from financing activities for discontinuing operation	(3,92,15,519)	4,75,87,023
Net changes in cash and cash equivalents (A+B+C)	(53,73,686)	39,67,362
Net changes in cash and cash equivalents for continuing operation	(18,20,779)	(43,83,809)
Net changes in cash and cash equivalents for discontinuing operation	(35,52,907)	83,51,171
CASH AND CASH EQUIVALENTS - OPENING BALANCE	1,33,03,083	93,35,722
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	79,29,397	1,33,03,083
Components of Cash and Cash Equivalents		
Cash in hand	1,96,133	2,19,303
With Banks		
- In Current Account	77,33,264	1,30,83,780
Cash and cash equivalent as per Cashflow statement	79,29,397	1,33,03,083
Add: FDs with original maturity of more than 90 days but part of cash and cash equivalent	70,85,558	53,39,652
Cash and cash equivalent as per Note No 18	1,50,14,955	1,86,42,735

As per our Report of even date :

For Haribhakti & Co.,
Chartered Accountants
Firm Registration No. 103523W

Prashant M. Maharishi
Partner
Membership No. 41452

Place : Ahmedabad
Date : May 23, 2014

For and on behalf of the Board of Directors

N. Gopalswami *Chairman*
Veeral P. Desai *Managing Director*
Pankaj Ajmera *Company Secretary*

Place : Surat
Date : May 23, 2014

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. Corporate Information

Span Diagnostics Limited is Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in the business of manufacturing, marketing and trading of diagnostics reagents, diagnostics instruments and allied products. The Company caters to both domestic and international markets. The Company also provides annual maintenance service for diagnostics instruments. It has various certifications like WHO-GMP, ISO 13485:2003 and ISO 9001:2000 and CE registration for almost 200 products thereby complying with globally accepted quality standards.

2. Summary of Significant Accounting Policies

i) Basis of Preparation of Financial Statements :

The Financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India, Accounting Standards notified by the Companies (Accounting Standards) Rules 2006, relevant provisions of the Companies Act, 1956

The Company adopts the accrual concept in preparation of the accounts. The preparation of accounts require the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the accounts and the reported income and expenses during the period. Actual results could differ from these estimates. The accounting year of the Company is a period of 12 months commencing from April 1 to March 31.

ii) Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

iii) Revenue Recognition & other Accounting Policies

- The Company recognises revenue on the sale of products when risks and rewards of the ownership is transferred to the customer. Sales are accounted net of amount recovered towards excise duty, sales tax and sales returns.
- Sales returns are accounted on actual receipt of return goods / settlement of claims.
- Services are accounted for pro-rata over the period of contract.
- Interest income is recognised on pro-rate basis.
- Dividend income is recognised when right to receive the dividend is established.

iv) Tangible Assets & Depreciation

- Tangible Assets are stated at cost of acquisition / construction, cost of improvement and any attributable cost of bringing the asset to its working condition for intended use or at revalued amounts wherever such assets have been revalued less accumulated depreciation.
- Depreciation on all assets except Buildings at Sachin is provided on written down value method and Depreciation on Buildings at Sachin is provided on Straight line Method at the rates and in the manner specified in schedule XIV of the Companies Act, 1956.

v) Intangible Assets and Amortization :

Intangible assets are measured at cost. Lump sum fees for technical know-how is amortised over the period of agreement or as per management's best estimate of useful life but not exceeding 10 years. SAP Software expenses are amortised over the period of five years.

vi) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying fixed assets are capitalised as part of the cost of the assets upto the date the asset is put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

vii) Foreign Currency Transactions :

- Transactions other than those covered by forward contracts are accounted at exchange rates prevailing on the date of transaction.
- Forward premium in respect of forward exchange contract is recognised over the life of contract.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- (c) Monetary foreign currency items other than those covered by forward contracts (i. e. receivable, payable, etc.) denominated in foreign currency is reported using the closing exchange rate on each balance sheet date. Exchange difference is recognised as income/expense.

- (d) Non-monetary foreign currency items are carried at historical cost determined on the date of transaction.

viii) Employee Benefits :
a) Short Term Employee Benefits :

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and the expected cost of bonus are recognized in the period in which an employee renders the related services.

b) Post-Employment Benefits :

- i. Defined Contribution Plans: The Company's Statutory Provident Fund, Employees' Super-annuation Fund and Employee State Insurance Scheme are defined contribution plans. The Super-annuation fund created by the company has taken Super-annuation cum life insurance policy from Life Insurance Corporation of India. The company has no further obligation for Super-annuation, Provident Fund and Employee State Insurance beyond its contribution.
- ii. Defined Benefit Plan: The Employees' Group Gratuity Fund is the Company's defined benefit plan for which Company has taken Group Gratuity cum Life Insurance Policy from Life Insurance Corporation of India. Gratuity expenses are recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of defined benefits are charged to the Statement of Profit and Loss.
- iii. Provision for accrued leave encashment is provided for on the basis of actuarial valuations made at the year end.

ix) Taxation :

Income Tax comprises of Current Tax and net changes in Deferred Tax Assets or Liability during the period. Current Tax is determined as the amount of tax payable in respect of taxable income for the period as per the enacted Tax Regulations.

Deferred Tax Assets and Liabilities are recognized for the future tax consequences of timing differences between the book profit and tax profit. Deferred Tax Assets and Liabilities other than on carry forward losses and unabsorbed depreciation under tax laws are recognized when it is reasonably certain that there will be future taxable income. Deferred Tax Asset on carry forward losses and unabsorbed depreciation, if any, are recognized when it is virtually certain that there will be future taxable profit. Deferred Tax Assets and liabilities are measured using substantively enacted tax rates. The effect on Deferred Tax Assets and Liabilities of a change in tax rates is recognized in the Statement of Profit & Loss in the period of substantive enactment of the change.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in the future period.

x) Valuation of stock :

The mode of valuing closing stock is as under :

Inventory Type	Mode of Valuation
Raw-Materials, Packing Materials & Other Materials	At lower of cost or net realizable value
Work-in-Process	At lower of cost or net realizable value
Finished Goods/ Traded Goods for resale	At lower of Cost or net realizable value.

The cost for the purpose of valuation of Finished Goods and work-in-process includes material cost, direct conversion cost and appropriate share of overheads incurred for bringing the goods to their present location and condition plus excise duty wherever applicable. The cost is computed based on weighted average basis.

x) Leases

Assets acquired on lease and assets given on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

The initial direct cost of lease is charged to Statement of Profit and Loss as and when incurred.

Lease rental are charged to Statement of Profit and loss on accrual basis.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

x) **Provision for Bad and Doubtful debts**

Provision is made in accounts for Bad and Doubtful Debts as and when the same in opinion of the management are considered doubtful of recovery.

xii) **Liquidated Damages**

Liabilities in respect of Liquidated Damages are provided if and to the extent, not disputed by the Company. Liquidated Damages disputed by the Company are treated as contingent liability. The amount of liability/contingent liability is estimated on the basis of contracted terms, facts of each case and to the extent of revenue recognised.

xiii) **Impairment of Fixed Assets**

Consideration is given at each Balance Sheet date to determine whether there is any indication of carrying amount of the Company's fixed assets. If there is any indication of impairment based on internal / external factors, then asset's recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

xiv) **Investment**

Long-term investments are carried at cost. Provision for diminution is made to recognize a decline, other than temporary in value of long-term investments and is determined separately for each individual investment. Current investments are carried at lower of cost and fair value computed separately in respect of each category of investment.

xv) **Research & Development**

Revenue expenditure on research is charged as an expense in the year in which it is incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the product and the costs can be measured reliably. Capital expenditure on research and development is included as additions to fixed assets.

xvii) **Provisions, contingent liabilities and contingent assets**

Provisions :

Provision is recognised when

- The Company has a present obligation as a result of past event;
- It is probable that an outflow of resources embodying economic benefit is expected to settle the obligation,
- A reliable estimate can be made for the amount of obligation.
- Provision for warranty related costs are recognised when product is sold. Provision is estimated based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

Contingent liability :

Contingent Liability is disclosed in case of

- A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A possible obligation unless the probability of outflow of resources is remote.

Contingent assets :

Contingent assets are neither recognised nor disclosed.

Provisions, Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

xviii) **Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash Equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

xix) Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax for the period attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit after tax for the period attributable to the equity shareholders of the Company by weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

3	SHARE CAPITAL	As at	As at
		31-03-2014	31-03-2013
		Rs.	Rs.
	Authorised		
	1,50,00,000 Equity Shares of Rs. 10/- each. (Previous year 1,50,00,000)	15,00,00,000	15,00,00,000
	Issued, Subscribed and paid-up		
	72,76,000 (Previous year 72,76,000) Equity Shares of Rs.10/- each fully paid up	7,27,60,000 7,27,60,000	7,27,60,000 7,27,60,000

3.1 There was no increase in Capital during the current year. However, during the year 2010-11, 1,65,250 equity shares each of Rs. 10 were issued on a preferential basis by the company at a premium of Rs. 29.97 each aggregating to Rs. 66,05,042/-. Further 36,38,000 equity shares of Rs 10 each were issued in the year 2010-11 as bonus shares in ratio of 1:1 by capitalizing securities premium which in aggregate amounts to Rs. 3,63,80,000/-

3.2 The details of shareholders holding more than 5% shares.

Name of Shareholder	As at 31-03-2014		As at 31-03-2013	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Pradipkumar Keshavlal Desai	13,06,880	17.96	13,06,880	17.96
Lataben P. Desai	7,17,060	9.86	7,17,060	9.86
Natwerlal Shivabhai Patel	5,54,920	7.63	5,54,920	7.63
Veeral Pradipkumar Desai	5,24,632	7.21	5,24,632	7.21

3.3 The reconciliation of the number of shares outstanding is set out below

Particulars	As at	As at	As at	As at
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Equity Shares outstanding at the beginning of the year	72,76,000	7,27,60,000	72,76,000	7,27,60,000
Add: Shares Issued during the year	--	--	--	--
Less : Shares bought back during the year.	--	--	--	--
Equity Shares outstanding at the end of the year.	72,76,000	7,27,60,000	72,76,000	7,27,60,000

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

4 RESERVES AND SURPLUS	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
Capital Reserve :		
As per last Balance Sheet	42,05,775	42,05,775
	<u>42,05,775</u>	<u>42,05,775</u>
Securities Premium Reserve :		
Balance as per last Balance Sheet	98,24,798	98,24,798
	<u>98,24,798</u>	<u>98,24,798</u>
General Reserve :		
Balance as per last Balance Sheet	7,37,44,200	7,37,44,200
	<u>7,37,44,200</u>	<u>7,37,44,200</u>
Surplus :		
As per last Balance Sheet	12,82,47,142	12,31,13,175
Add: Profit/(Loss) for the year	(5,13,98,379)	93,62,142
	<u>7,68,48,763</u>	<u>13,24,75,317</u>
Less: Appropriations		
Proposed Dividend on Equity Shares	--	36,38,000
Dividend Distribution Tax	--	5,90,175
	<u>7,68,48,763</u>	<u>12,82,47,142</u>
	<u><u>16,46,23,536</u></u>	<u><u>21,60,21,915</u></u>

5 LONG TERM BORROWINGS	As at 31-03-2014 Rs.		As at 31-03-2013 Rs.	
	Non Current	Current	Non Current	Current
SECURED				
Term loan from banks	5,87,65,964	3,21,22,327	7,56,92,071	1,85,98,814
Term loan from Other Parties	1,06,19,400	17,69,900	1,23,89,300	17,69,900
Deferred Payment Liabilities	1,68,91,600	21,11,400	1,68,91,600	21,11,400
UNSECURED				
Deposits	-	5,85,43,000	3,25,25,000	1,52,82,000
	<u>8,62,76,964</u>	<u>9,45,46,627</u>	<u>13,74,97,971</u>	<u>3,77,62,114</u>

- 5.1 Term Loan from banks other than Vehicle Loans are secured by hypothecation of plant and machineries, some of moveable properties of the company, equitable mortgage of some of the immovable properties of the company. Vehicle loans of Rs. 1,64,929 (Previous Year: Rs. 3,13,064) are secured by hypothecation of respective vehicles.
- 5.2 Term Loan from other parties and deferred payment liabilities are secured by hypothecation of moveable assets including Plant and Machinery and equipments which has been procured through utilization of earmarked funds and intangibles which will be generated from projects.
- 5.3 Secured Loans are guaranteed by some of the Directors of the company & Mrs. Lata P Desai.
- 5.4 Deposits includes deposits from Related Parties of Rs. 40,40,000 (Previous year Rs.89,53,000) (Refer Note 31) carrying rate of interest as per standard norms of deposits

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014
5.5 Interest Rate Profile of Term Loans & Deposits are as set out below :

Particulars	As at 31-03-2014		As at 31-03-2013	
	Rate of Interest (p.a.)	Amount (Rs.)	Rate of Interest (p.a.)	Amount (Rs.)
Term Loan From Banks	14.85%	3,67,23,362	14.55%	3,69,20,643
	6.82%	-	6.82%	1,10,48,462
	13.50%	5,40,00,000	13.75%	4,60,08,716
	11.04%	1,64,929	11.04%	3,13,064
Term Loan From Other Parties	1.00%	46,90,300	1.00%	64,60,200
	2.00%	76,99,000	2.00%	76,99,000
Deferred Payment Liabilities	5.00%	1,90,03,000	5.00%	1,90,03,000
Deposits	10.00%	3,03,000	10.00%	2,00,000
	10.50%	52,68,000	10.50%	29,79,000
	11.00%	45,65,000	11.00%	1,68,56,000
	11.50%	1,85,22,000	11.50%	1,44,91,000
	12.00%	2,98,85,000	12.00%	1,32,81,000
Total		18,08,23,591		17,52,60,085

5.6 Maturity Profile of Term Loans & Deposits are as set out below :

(in Rs.)

Particulars	Maturity Profile			
	1-2 years	2-3 years	3-4 years	Beyond 4 years
Term Loan From Banks	2,87,65,964	1,20,00,000	1,20,00,000	60,00,000
Term Loan From Other Parties	17,69,900	17,69,900	17,69,900	53,09,700
Deferred Payment Liabilities	42,22,000	42,22,000	42,22,000	42,25,600
Deposits	-	-	-	-
	3,47,57,864	1,79,91,900	1,79,91,900	1,55,35,300

6 DEFERRED TAX LIABILITIES (Net)

 As at
31-03-2014
Rs.

 As at
31-03-2013
Rs.

Deferred Tax Liability

Difference between Depreciable Assets as per books of accounts and written down value for tax purpose

4,19,45,213

2,53,26,892

Deferred Revenue Exp. (CWIP-R&D)

35,63,587

1,05,40,159

Other Gratuity

3,72,771

12,59,497

SUB TOTAL (A)

4,58,81,571

3,71,26,548

Deferred Tax Assets

Disallowance U/S 43B

a) Provision for leave en-cashment

18,65,182

2,064,779

b) Provision for bad/doubtful debts

34,858

5,82,280

c) Provision for bonus

11,80,161

10,73,975

SUB TOTAL (B)

30,80,201

37,21,034

Net Deferred Tax Liability
(TOTAL (A - B))
4,28,01,370
3,34,05,514

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

7	LONG TERM PROVISIONS :	As at 31-03-2014 Rs.		As at 31-03-2013 Rs.	
		Non Current	Current	Non Current	Current
	Leave Encashment (Unfunded)	34,61,899	22,86,850	39,68,006	23,95,931
	Interest accrued but not due on borrowings	28,88,038	34,32,573	28,81,231	16,82,194
		<u>63,49,937</u>	<u>57,19,423</u>	<u>68,49,237</u>	<u>40,78,125</u>
	Provision for accrued leave encashment is provided on the basis of actual valuation at the end of the year end.				
8	SHORT TERM BORROWINGS	As at 31-03-2014 Rs.		As at 31-03-2013 Rs.	
	SECURED				
	Working Capital Loans from Banks	<u>19,01,32,079</u>		<u>18,77,85,802</u>	
	UNSECURED				
	Loans and Advances from Related Parties (Refer Note No. 31)	28,00,000		23,00,000	
	Loan and Advances from Directors (Refer Note No. 31)	6,31,686		--	
		<u>19,35,63,765</u>		<u>19,00,85,802</u>	
8.1	Working Capital Loan are secured by hypothecation of Current Assets and collaterally secured by the personal guarantees of promoter Directors & Mrs. Lata P. Desai, equitable mortgage of some of the immovable properties of the Company. The Interest rate in INR portion varies from 10.60% to 14.50% (Previous year 13.50% to 14.50%) Short Term Loan from Related Party & Directors is 12% (Previous year at 12%) & is repayable on demand.				
9.	TRADE PAYABLES	As at 31-03-2014 Rs.		As at 31-03-2013 Rs.	
	Micro. Small and Medium Enterprises	--		--	
	Others	<u>10,48,08,429</u>		<u>5,05,58,965</u>	
		<u>10,48,08,429</u>		<u>5,05,58,965</u>	
9.1	The Company has not received any information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act has not been given. This has been relied upon by the Auditors.				
10.	OTHER CURRENT LIABILITIES	As at 31-03-2014 Rs.		As at 31-03-2013 Rs.	
	Current maturities of long term debt (Refer Note No. 5)	9,45,46,627		3,77,62,114	
	Interest accrued but not due on borrowings (Refer Note No. 7)	34,32,573		16,82,194	
	Creditors for Capital Expenditure (Refer Note No. 31)	1,64,09,025		1,19,36,971	
	Forward Contract Payable (Net of receivable)	--		8,11,668	
	Income received in advance	19,20,737		12,08,998	
	Unclaimed Dividend #	5,79,215		4,75,599	
	Statutory Dues	1,18,75,280		1,01,31,941	
	Security Deposits* (Refer Note No. 31)	2,26,21,513		2,00,67,957	
	Advance from Customers	1,94,47,014		1,61,99,435	
	Other Payable@ (Refer Note No. 31)	5,12,39,975		5,53,56,379	
		<u>22,20,71,959</u>		<u>15,56,33,256</u>	
	# There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.				
	* Security Deposit includes security deposit from related party of Rs. 5,00,000 (Previous Year Rs. 5,00,000) and Security Deposit from stockiest carrying interest rates varying from 10-12% p.a.				
	@ Includes Rs 96,18,458 (Previous Year 99,18,458) payable to Related Parties (Refer Note No 31)				
11.	SHORT TERM PROVISIONS :	As at 31-03-2014 Rs.		As at 31-03-2013 Rs.	
	Provision for Employees Benefits	36,37,421		33,10,141	
	Proposed Dividend	--		36,38,000	
	Tax on Dividend	--		5,90,175	
	Provision for Current Obligation of Leave Encashment (Refer note 7)	22,86,850		23,95,931	
	Other Provisions*	26,47,903		1,34,10,851	
		<u>85,72,174</u>		<u>2,33,45,098</u>	

* Includes provision for warranty of Rs. 6,46,102 (Previous Year Rs. 5,15,645) which is estimated based on historical experience and the estimates are reviewed annually for any material changes in assumption.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014
12 FIXED ASSETS

Sr. No.	Name of Assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 1-4-2013 Rs	Additions during the year Rs	Deduction/ Adjustment Rs.	As at 31-03-2014 Rs	Balance as at 1-4-2013 Rs.	For the Year Rs.	Deductions/ Adjustment Rs.	Balance as at 31-3-2014 Rs.	As at 31-3-2014 Rs	As at 31-3-2013 Rs
1	Leased Assets										
	Leasehold Land	1,15,38,900	-	-	1,15,38,900	-	-	-	-	1,15,38,900	1,15,38,900
	Owned Assets :										
1	Free hold Land	7,98,300	-	-	7,98,300	-	-	-	-	7,98,300	7,98,300
2	Buildings & Roads	16,06,55,497	54,57,503	-	16,61,13,000	4,69,26,581	56,12,339	-	5,25,38,920	11,35,74,080	11,37,28,916
3	Plant & Machineries	15,63,51,522	2,55,48,061	-	18,18,99,583	5,88,19,801	1,57,06,632	-	7,45,26,433	10,73,73,150	97,531,721
4	Electrical Installations	2,26,55,030	16,49,402	-	2,43,04,432	95,96,373	19,09,138	-	1,15,05,511	1,27,98,921	1,30,58,657
5	Cold Rooms/Storages	1,40,06,894	79,080	-	1,40,85,974	59,23,569	11,33,233	-	70,56,802	70,29,172	80,83,325
6	Loose Tools, Moulds, Utilities and other Equipments	2,45,77,628	8,96,171	95,700	2,53,78,099	1,60,34,975	16,98,277	79,565	1,76,53,687	77,24,412	85,42,653
7	Laboratory Equipments	1,44,16,491	42,29,039	1,37,081	1,85,08,449	60,38,045	17,45,992	25,800	77,58,237	1,07,50,212	83,78,446
8	R & D Equipments	1,25,18,259	-	-	1,25,18,259	53,19,527	10,01,343	-	63,20,870	61,97,389	71,98,732
9	Furniture & Fixtures	31,301,470	37,79,807	-	3,50,81,277	1,30,86,074	37,60,897	-	1,68,46,971	1,82,34,306	1,82,15,396
10	Computers	1,04,85,928	2,37,479	-	1,07,23,407	86,32,931	8,00,639	-	94,33,570	12,89,837	18,52,997
11	Office Equipments	42,04,159	1,11,348	-	43,15,507	29,70,810	2,24,704	-	31,95,514	11,19,993	12,33,349
12	Vehicles	94,17,642	-	-	94,17,642	59,82,842	9,11,427	-	68,94,269	25,23,373	34,34,800
	Total (A)	47,29,27,720	4,19,87,890	2,32,781	51,46,82,829	17,93,31,528	3,45,04,621	1,05,365	21,37,30,784	30,09,52,045	29,35,96,192
	Intangible Assets										
1	Goodwill	3,22,120	-	-	3,22,120	3,22,120	-	-	3,22,120	-	-
2	Technical Know how	10,32,36,563	5,04,88,449	-	15,37,25,012	2,04,64,479	1,20,22,944	-	3,24,87,423	12,12,37,589	8,27,72,084
3	Software	1,10,77,073	16,76,350	-	1,27,53,423	81,55,925	11,45,203	-	93,01,128	34,52,295	29,21,148
	Total (B)	11,46,35,756	5,21,64,799	-	16,68,00,555	2,89,42,524	1,31,68,147	-	4,21,10,671	12,46,89,884	8,56,93,232
	Total (A + B)	58,75,63,476	9,41,52,689	2,32,781	68,14,83,384	20,82,74,052	4,76,72,768	1,05,365	25,58,41,455	42,56,41,929	37,92,89,424
	Previous Year	40,32,24,802	18,50,59,432	7,20,758	58,75,63,476	17,83,03,728	3,03,84,936	4,14,612	20,82,74,052	37,92,89,424	22,49,21,074
	Capital Work-in-Progress									77,36,130	2,16,48,823
	Intangible Assets Under Development									3,63,15,357	5,69,00,041

12.1

Land Cost includes Rs.950/- being the cost of 19 shares fully paid up of Rs. 50/- each of Udhna Udyognagar Sahakari Sangh Ltd., Udhna.

12.2

Leasehold land cost includes cost of land allotted by G.I.D.C. on lease. This lease is for 99 years and same is treated as perpetual lease hence no amortisation is done

12.3

In accordance with AS-16 related to Borrowing costs which amounts to Rs.11,75,812 has been capitalized during the year (Previous Year Rs. 33,96,672)

13 NON CURRENT INVESTMENTS

	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
Trade Investments (Unquoted fully Paid Up)		
Investment in Equity Shares		
Investment in Joint Ventures		
Span Nihon Kohden Diagnostics Pvt. Ltd. (54,000 Equity Share (Previous Year 54,000 Equity Shares) of Rs. 100 each)	54,00,000	54,00,000
Span Diagnostics South Africa (Pty.) Ltd. (460 Equity Shares (Previous Year - 460 Shares) of Rand 1 each)	3,005	3,005
Investment in Subsidiary		
Span Biotronics Pvt. Ltd. (10,000 Equity Shares (Previous Year 10,000 Equity Share) of Rs. 100 each)	10,00,000	10,00,000
Span Biotherapeutics Pvt. Ltd. (Nil Equity Shares (Previous Year-9,990 Shares) of Rs. 10 each)	--	99,900
Investment in Other		
Sachin Infra Management Ltd. (200 Shares (Previous Year - 200 Shares) of Rs. 10 each)	2,000	2,000
Investment in Preference Shares		
Investment in Subsidiary		
Span Biotronics Pvt. Ltd. (Nil 10% Cumulative Preference Shares (Previous Year - 5000 Shares)	--	5,00,000
Aggregate Amount of Unquoted Investments (At Cost)	64,05,005	70,04,905

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

13.1 There is lack of operation / business activity in Span Biotherapeutics Pvt. Ltd., therefore the company has sold its investment in Span Biotherapeutics Pvt. Ltd. to Mrs. L. P.Desai Jointly held with Dr. P. K. Desai at Rs.10/- per share, Also during the year Span Biotronics Pvt. Ltd. has redeemed the Preference Shares of Rs. 5,00,000.

13.2	Name of Subsidiary / Joint Ventures	Country of Incorporation	Proportion of Ownership (%) as on	
			31-03-2014	31-03-2013
	Subsidiaries			
	Span Biotronics Pvt. Ltd. (Equity Shares)	India	95.24%	95.24%
	Span Biotronics Pvt. Ltd. (Preference Shares)	India	--	100.00%
	Span Biotherapeutics Pvt. Ltd.	India	--	99.90%
	Joint Venture			
	Span Nihon Kohden Diagnostics Pvt. Ltd.	India	45%	45%
	Span Diagnostics South Africa (Proprietary) Ltd.	South Africa	46%	46%

14	LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	Capital Advances	15,97,081	25,81,256
	Loans and Advances to Related Parties (Refer Note No. 31)	71,44,893	1,07,06,265
	Advance Income Tax (Net of Provision)	1,71,64,779	1,39,34,420
	Security Deposits	64,95,247	71,07,797
		3,24,02,000	3,43,29,738

14.1 Loans and Advances in nature of Loans given to Subsidiaries and Joint Venture:

Loans and Advances in the Nature of Loans		As at 31-03-2014 Rs.		As at 31-03-2013 Rs.	
Name of the Company	Type of Relation	Non Current	Current	Non Current	Current
Span Biotronics Private Limited	Subsidiary	60,66,332	41,07,712	92,72,568	29,16,755
Span Diagnostics SA (PTY.LTD.)	Joint Venture	10,78,561	4,08,124	14,33,697	--
		71,44,893	45,15,836	1,07,06,265	29,16,755

(a) Loans and Advances shown above, fall under the category of Long Term Loans & Advances in nature of Loans and are re-payable within 3 to 5 years

(b) Above loans and advances is interest bearing.

15	OTHER NON CURRENT ASSETS	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	Advance to Gratuity Trust (Refer Note No. 24.1)	11,48,932	38,81,945
	Term Deposit Maturing after one year*	19,47,099	27,27,136
	* Includes deposits of Rs. 19,49,099 (Previous year Rs. 26,70,136) held as margin money deposits against gaurantees	30,96,031	66,09,081

16	INVENTORIES	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	Raw Materials	4,08,05,776	3,85,94,399
	Packing Materials	2,33,95,033	1,90,29,402
	Packing Materials in Transit	-	15,86,011
	Consumable Stores	1,74,91,628	1,00,08,806
	Work-in-Process	1,07,18,737	94,47,940
	Semi-Finished	1,72,47,208	1,14,58,618
	Finished Goods	5,14,11,086	3,68,18,865
	Stock in Trade	93,79,590	1,43,33,494
		17,04,49,058	14,12,77,535

For Mode of valuation refer Note No. 2 (x) of Notes on Financial Statements

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
17 TRADE RECEIVABLES		
Unsecured		
Outstanding for period exceeding six months from the date they are due	1,63,85,525	1,28,66,937
Considered Good	1,07,438	17,94,668
Considered Doubtful	1,07,438	17,94,668
Less : Provision for Doubtful Debts	1,63,85,525	1,28,66,937
	<u>15,88,58,544</u>	<u>17,91,28,469</u>
Other - Considered Good *	<u>17,52,44,069</u>	<u>19,19,95,406</u>
	* Trade receivable includes debt due by the Private Company in which director is a member of Rs Nil (Previous Year Rs 1,58,059).	
17.1	Company has written off Rs.17,45,218 (Previous year Rs.11,918) out of customer balance.	
18 CASH AND CASH EQUIVALENTS	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
Bank Balances with Banks :		
In Current Accounts*	77,33,264	1,30,83,780
In Fixed Deposits Accounts #	70,85,558	53,39,652
Cash on Hand	1,96,133	2,19,303
	<u>1,50,14,955</u>	<u>1,86,42,735</u>
	* Includes Earmarked Balances of Rs. 6,15,849 (Previous Year Rs. 5,22,177) in respect of Project and Unpaid Dividend .	
	# Includes deposits of Rs. 44,89,504 (Previous Year Rs.31,22,561) held as margin money deposits against guarantees	
19 SHORT TERM LOANS AND ADVANCES	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
Unsecured and considered good		
Loans and Advances to Related Parties (Refer Note No 31)	6,63,087	8,65,318
Current maturities of long term loan and advance to Related Parties (Ref Note no. 14.1 & 31)	45,15,836	29,16,755
Balance with Statutory Authorities	72,41,362	63,01,841
Security Deposits	7,21,926	5,52,735
Advance to Sundry Creditors	33,74,903	1,11,26,853
Prepaid Expenses	1,06,96,103	56,54,608
Deferred Forward Premium	-	89,512
Others#	<u>23,10,383</u>	<u>9,52,448</u>
	<u>2,95,23,600</u>	<u>2,84,60,070</u>
	# Includes Loan to the Employees of Rs. 6,12,080 (Previous Year 4,97,500)	
20 REVENUE FROM OPERATIONS	2013-14 Rs.	2012-13 Rs.
Sales of Products	79,05,29,264	79,45,42,158
Less : Excise Duty recovered on Sales	88,48,857	76,87,387
	<u>78,16,80,407</u>	<u>78,68,54,771</u>
Sales of Services (net of service tax)	32,93,281	27,48,142
Other Operating Income	16,38,295	1,19,438
	<u>78,66,11,983</u>	<u>78,97,22,351</u>
21 OTHER INCOME	2013-14 Rs.	2012-13 Rs.
Interest Income	30,37,945	28,55,428
Profit on Sale of Assets	-	21,251
Leave and License Fees Income (Refer Note No. 31)	21,90,000	21,90,000
Dividend Income from subsidiary (Refer Note No. 31)	3,40,411	-
Dividend Income from joint venture (Refer Note No. 31)	36,00,000	36,00,000
Other Non Operating Income	8,98,330	18,70,231
	<u>1,00,66,686</u>	<u>1,05,36,910</u>
21.1	Dividend Income from subsidiary includes dividend on redemption of preference share which also includes dividend of earlier years.	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

22	COST OF MATERIALS CONSUMED			2013-14 Rs.	2012-13 Rs.
	Raw Materials Consumed			17,19,46,091	13,64,52,848
	Packing Materials Consumed			13,91,92,902	12,57,56,853
				<u>31,11,38,993</u>	<u>26,22,09,701</u>
22.1	VALUE OF MATERIALS CONSUMED				
				2013-14	2012-13
				Value in Rs.	Value in Rs.
				% of Consumption	% of Consumption
	Raw Materials				
	Imported	13,92,44,944	80.98%	10,39,34,844	76.17%
	Indigenous	3,27,01,147	19.02%	3,25,18,004	23.83%
		17,19,46,091	100.00%	13,64,52,848	100.00%
	Packing Materials				
	Imported	69,13,591	4.97%	84,11,214	6.69%
	Indigenous	13,22,79,311	95.03%	11,73,45,639	93.31%
		13,91,92,902	100.00%	12,57,56,853	100.00%
22.2	PARTICULARS OF MATERIALS CONSUMED			2013-14 Rs.	2012-13 Rs.
	Particulars				
	Fine Chemicals			2,85,24,694	2,53,32,869
	Biological Chemicals			11,47,16,164	8,95,21,470
	Packing Materials			13,91,92,902	12,57,56,853
	Others			2,87,05,233	2,15,98,509
				<u>31,11,38,993</u>	<u>26,22,09,701</u>
23	CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE			2013-14 Rs.	2012-13 Rs.
	Closing Stock				
	Work-in-Process			1,07,18,737	94,47,940
	Semi-Finished			1,72,47,208	1,14,58,618
	Finished Goods			5,14,11,086	3,68,18,865
	Stock-in-Trade			93,79,590	1,43,33,494
				8,87,56,621	7,20,58,917
	Less : Excise Duty			15,35,615	3,053,141
				<u>8,72,21,006</u>	<u>69,005,776</u>
	Opening Stock				
	Work-in-Process			94,47,940	97,73,039
	Semi-Finished			1,14,58,618	1,31,40,506
	Finished Goods			3,68,18,865	4,75,42,123
	Stock-in-Trade			1,43,33,494	1,98,14,894
				7,20,58,917	9,02,70,562
	Less : Excise Duty			30,53,141	54,63,645
				<u>6,90,05,776</u>	<u>8,48,06,917</u>
				<u>(1,82,15,230)</u>	<u>1,58,01,141</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

24	EMPLOYEE BENEFITS EXPENSES	2013-14 Rs.	2012-13 Rs.
	Salaries, Wages, Benefies and other allowances (including Directors' Remuneration)	14,73,00,508	13,82,93,384
	Contribution to Provident and other finds	1,24,26,962	1,10,34,374
	Staff Welfare Expenses	43,02,307	51,77,339
		<u>16,40,29,777</u>	<u>15,45,05,097</u>

24.1 EMPLOYEE BENEFITS

Disclosures pursuant to Accounting Standard - 15 (Revised) 'Employee Benefits'

Defined Contribution Plan

Contribution to Defined Contribution Plan recognised as expense for the year are as given below.

	2013-14 Rs.	2012-13 Rs.
Employer's Contribution to Provident Fund and Family Pension Fund	62,75,977	64,21,121
Employer's Contribution to Employee State Insurance fund	18,21,509	14,96,429
Employer's Contribution to Super Annuation Fund	12,98,250	19,92,600

Defined Benefit Plan

The Employee's Group Gratuity Fund is the Company's defined benefits plan for which the Company has taken Group Gratuity cum Life Insurance Policy from Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up final obligation.

(i) Reconciliation of opening and closing balance of defined Benefit Obligation :

	Gratuity (Funded) 2013-14 Rs.	Gratuity (Funded) 2012-13 Rs.
Defined Benefit obligation at beginning of year	25,537,130	23,402,421
Current Service Cost	15,06,155	15,53,321
Interest Cost	21,06,813	20,47,712
Actuarial (gain) / loss	12,86,380	(1,24,969)
Benefit Paid	(35,50,460)	(13,41,355)
Defined Benefit obligation at year end	<u>2,68,86,018</u>	<u>2,55,37,130</u>

(ii) Reconciliation of opening and closing balance of Fair value of plan assets :

	Gratuity (Funded) 2013-14 Rs.	Gratuity (Funded) 2012-13 Rs.
Fair value of plan assets at beginning of year	2,94,19,075	2,82,01,375
Expected return on plan assets	25,59,460	24,25,318
Actuarial (gain) / loss	(3,93,125)	1,33,737
Employers Contribution	--	--
Benefit Paid	(35,50,460)	(13,41,355)
Fair value of plan assets at year end	2,80,34,950	2,94,19,075
Actual return on plan assets	<u>21,66,335</u>	<u>25,59,055</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

iii) Reconciliation of Fair Value of assets and obligation :

	Gratuity (Funded) As at March 31, 2014 Rs.	Gratuity (Funded) As at March 31, 2013 Rs.
Fair value of plan assets	2,80,34,950	2,94,19,075
Present value of obligation	2,68,86,018	2,55,37,130
Amount recognised in Balance Sheet as liability / (asset)	(11,48,932)	(38,81,945)

iv) Expense Recognised during the year :

	Gratuity (Funded) 2013-14 Rs.	Gratuity (Funded) 2012-13 Rs.
Current Service Cost	15,06,155	15,53,321
Interest Cost	21,06,813	20,47,712
Expected return on plan assets	(25,59,460)	(24,25,318)
Actuarial (gain) / loss recognised in the year	16,79,505	(2,58,706)
Net Cost recognised in Profit & Loss account	27,33,013	9,17,009

v) Investment Details :

The company has contracted with Life Insurance Corporation of India (LIC) to manage gratuity liability of the company. The Company makes the required contribution to LIC based on computation of current service cost, expected earnings and actuarial assumption etc. The Company has not made any other investment for defined benefit plan.

vi) Actuarial Assumptions :

Indian Assured Lives Mortality (2006-08) Ultimate	Gratuity (Funded) 2013-14	Gratuity (Funded) 2012-13
Discount rate (per annum)	9.33%	8.25%
Expected rate of return on plan assets (per annum)	8.70%	8.70%
Rate of escalation in salary (per annum)	7.00%	7.00%

(vii) Disclosure as required under para 120 (n) :

	Gratuity (Funded) 2013-14	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12	Gratuity (Funded) 2010-11	Gratuity (Funded) 2009-10
Fair Value of plan assets	2,80,34,950	2,94,19,075	2,82,01,375	2,48,91,994	2,25,60,712
Present value of obligation	2,68,86,018	2,55,37,130	2,34,02,421	2,19,03,981	2,23,29,736
Surplus (Deficit) in Plan	11,48,932	38,81,945	47,98,954	29,88,013	2,30,976

25 FINANCE COST

	2013-14 Rs.	2012-13 Rs.
Interest Expenses* @	4,13,66,010	3,34,88,759
Other Borrowing Costs #	27,66,419	42,82,293
	4,41,32,429	3,77,71,052

* Include interest paid to Related Parties on fixed deposits Rs.8,79,127 (Previous year Rs.11,44,899)

@ includes interest paid to Directors Rs. 97,315 (Previous Year Nil)

Relates Forward Premium Expense of Rs 1,56,490 (Previous Year Rs 25,45,968)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

26	OTHER EXPENSES	2013-14 Rs.	2012-13 Rs.
	Manufacturing Expenses		
	Processing charges	2,95,49,863	2,46,58,439
	Laboratory Expenses	21,82,615	23,76,153
	Power and Fuel	2,25,08,455	2,01,85,918
	Stores Consumed	2,13,70,867	1,78,75,433
	Excise duty paid	82,68,727	75,31,401
	Repairs to Building	7,27,675	1,86,883
	Repairs to Plant & Machineries	14,54,975	12,16,189
	Research & Development Expenses	1,63,63,177	1,60,09,970
	Other Manufacturing Expenses	--	3,400
		<u>10,24,26,354</u>	<u>9,00,43,786</u>
	Selling & Distribution Expenses		
	Liquidated Damage	39,01,005	1,25,92,289
	Royalty (Refer Note No. 31)	66,41,553	67,99,215
	Target Discount	30,27,166	26,82,270
	Freight Outward Expenses	3,31,35,168	3,31,58,493
	Sales Commission	2,31,18,329	3,47,89,510
	Traveling and Conveyance (Marketing)	2,01,62,126	1,80,64,150
	Sales Promotion Expense	76,24,943	59,85,619
	Provision for Doubtful Debts	(31,246)	13,97,683
	Other Selling & Distribution Expenses (Refer Note No. 31)	16,08,560	19,02,476
		<u>9,91,87,604</u>	<u>11,73,71,705</u>
	Administration and Other Expenses		
	Communication Expenses	45,70,690	47,20,144
	Printing and Stationery	7,00,102	7,66,830
	Traveling and Conveyance (Others)	74,63,714	84,18,302
	Directors' Sitting Fees & Allowance	2,55,000	2,05,000
	Rates & Taxes	13,50,076	11,20,847
	Insurance Charges	14,11,347	14,25,050
	Rent (Refer Note No. 31)	16,51,796	15,20,700
	Payment to Auditors (Refer Note 26.2)	8,13,893	6,26,567
	Legal & Professional Charges	68,81,693	82,18,059
	Electricity Charges	17,09,029	17,81,265
	House Keeping Expenses	27,82,496	22,81,298
	Security Charges	24,49,850	15,93,599
	Exchange loss (Net)	60,44,905	3,93,955
	Other Expenses	1,71,61,825	1,33,29,378
		<u>5,52,46,416</u>	<u>4,64,00,994</u>
		<u>25,68,60,374</u>	<u>25,38,16,485</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

26.1	VALUE OF STORES & SPARES CONSUMED	2013-14		2012-13	
		Value in Rs.	% of Consumption	Value in Rs.	% of Consumption
	Stores and Spares				
	Imported	18,84,109	8.82%	15,91,526	8.90%
	Indigenous	1,94,86,758	91.18%	1,62,83,906	91.10%
		2,13,70,867	100.00%	1,78,75,433	100.00%
26.2	AUDITOR'S REMUNERATIONS		2013-14	2012-13	
	Particulars		Rs.	Rs.	
	Audit Fees		2,60,000	2,60,000	
	Tax Audit Fees		75,000	75,000	
	Other Services		2,87,328	1,70,000	
	Service tax on above fees		74,467	42,122	
	Reimbursement of Expenses		1,17,098	79,445	
			8,13,893	6,26,567	
26.3	EXPENDITURE AND EARNINGS IN FOREIGN EXCHANGE		2013-14	2012-13	
	a) Earnings in Foreign Exchange		Rs.	Rs.	
	Export of Goods calculated of F.O.B. basis		11,24,88,520	8,98,24,398	
	b) Expenditure in foreign currency				
	1. Royalty		28,36,038	34,55,602	
	2. Bank Interest		1,06,391	55,98,905	
	3. Dividend		46,500	--	
	4. Technical Know-how		1,14,41,371	1,31,15,085	
	5. Salary and Other cost		20,48,876	24,73,221	
	6. Marketing expenses		21,02,451	21,46,349	
	7. Sales Promotion		17,51,067	21,71,200	
	8. Foreign Traveling expenditure		26,48,004	28,57,161	
	9. Other expenses		13,96,057	23,84,409	
	c) Value of Imports calculated on CIF basis				
	Raw Materials & Packing Materials		13,08,79,741	10,17,21,315	
	Goods for resale		2,76,48,073	2,53,75,010	
	Capital Goods		30,36,225	22,04,957	
	Consumable Store		77,45,785	34,03,627	
27	EARNING PER SHARE		2013-14	2012-13	
			Rs.	Rs.	
	Profit/(Loss) after taxation as per statement of Profit and Loss		(5,13,98,379)	93,62,142	
	Weighted average number of equity shares outstanding		72,76,000	72,76,000	
	Basic and Diluted Earning per shares (face value - Rs. 10 per share)		(7.06)	1.29	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014
28 CONTINGENT LIABILITIES AND COMMITMENTS
A. Contingent Liabilities

Particulars	As at 31-3-2014 Rs.	As at 31-3-2013 Rs.
a) Taxes		
(1) Sales tax		
Demands under contest (Net of Tax)	5,66,001	4,06,103
C-Form Pending (Net of Tax)	20,88,125	14,38,922
(2) Income tax		
Demands under dispute	2,16,07,889	2,16,07,889
b) Claims against the Company not acknowledged as Debts	25,42,704	39,27,954
c) On account of guarantees given by the bank on behalf of the company in favor of customs and others.	5,38,78,577	4,81,60,197
d) The Company has imported material under the Advance Authorization Scheme of the Government of India, at concessional rates of customs duty by undertaking obligations to export certain quantity of specified products, For the future outstanding export obligations quantity under the Scheme as at 31-03-2014, which if not fulfilled may result in custom duty liability of (Net of tax)	52,282	49,315

B. Capital Commitments

Particulars	As at 31-3-2014 Rs.	As at 31-3-2013 Rs.
Estimated amount of contracts (Net of advances) remaining to be executed on Capital Account and not provided for	2,58,58,513	48,07,753

29 LEASE

- i) The Company does not have financial lease arrangement.
- ii) The Company has taken residential, office and godown premises under short term cancelable lease arrangements and are renewable on mutually agreeable terms.

	2013-14 (Rs.)	2012-13 (Rs.)
Rent paid under this agreement	16,51,796	15,20,700

- iii) The Company has given premises under non-cancelable lease arrangements. This asset has been capitalised and consequently depreciation has also been provided on the asset.

	2013-14 (Rs.)	2012-13 (Rs.)
Rent received during the year under this agreement	21,90,000	21,90,000

Future minimum lease rental in respect of assets given on non-cancelable operating lease for premises is as under.

	2013-14 (Rs.)	2012-13 (Rs.)
Receivable within one year	9,12,500	21,90,000
Receivable between one year and five year	Nil	9,12,500
Receivable after five year	Nil	Nil

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

30 SEGMENT REPORTING

The company operates in a single segment – Diagnostic Products.

31 RELATED PARTY DISCLOSURES

Related party Disclosures as required by AS-18 are given below.

A. Relationship.

(i) Related parties where control exists :

Span Biotronics Pvt. Ltd. (Subsidiary)

Span Nihon Kohden Diagnostics Pvt. Ltd. (Joint Venture)

Span Diagnostics SA (Pty.) Ltd. - (Joint Venture)

(ii) Key Management Personnel :

Dr. Pradip K. Desai

Mr. Veeral P. Desai

Ms. Sujata V. Desai

Dr. Madhukanta T. Patel*

*Dr. Madhukanta T. Patel was Director till 30.06.2013

(iii) Relatives of key management personnel and their enterprise, where transactions have taken place :

Ms. Lata P. Desai

Ms. Tejal V. Desai

Ms. Shital S. Kazi

Mr. Prakash K. Desai

Shri. Pradip. K. Desai HUF

Dr. Harshad R. Gandhi

Ms. Kokila H. Gandhi

Mr. Sunil T. Patel*

Ms. Bhanuben T. Patel*

Ms. Sudhaben I. Patel*

* Related till 30-06-2013

(iv) Enterprise over which persons described in (ii), (iii) above is able to exercise significant influence :

Span Diagnostics SARL

Quest Biochemicals Pvt. Ltd

Desai Agri Bio-tech Pvt. Ltd

Span Biotherapeutics Pvt Ltd *

*Related from 28-05-2013

Note : Related party relationship on the basis of the requirements of Accounting Standard (AS) 18 as in 1 (i) to (iv) above is identified and certified by the Management and relied upon by the Auditors.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014
B. Transactions with related parties

Particulars	Referred In A (i) Above	Referred In A (ii) Above	Referred In A (iii) Above	Referred In A (iv) Above
Sales :				
Goods and Material	3,44,400			
	<i>Nil</i>			
Purchase:				
Goods and Material	52,362			1,77,200
	<i>Nil</i>			1,94,578
Expenses :				
Remuneration/sitting Fees		1,22,49,463		
		<i>1,90,50,674</i>		
Interest on F.D./Loan		2,49,739	3,95,076	2,34,312
		<i>3,96,975</i>	<i>5,38,466</i>	<i>2,09,458</i>
Rent paid			1,05,000	
			<i>2,19,000</i>	
Dividend Paid		9,92,624	4,06,780	
		<i>Nil</i>	<i>Nil</i>	
Garden Expense				7,20,000
				<i>7,20,000</i>
Evaluation & Testing Charges				2,62,000
				<i>Nil</i>
Selling & Marketing Expense	21,41,399			
	<i>23,89,935</i>			
Royalty	4,88,849			12,32,220
	<i>44,370</i>			<i>13,22,096</i>
Income :				
License Fees	21,90,000			
	<i>21,90,000</i>			
Other Income	51,13,167			
	<i>48,15,627</i>			
Capital Items :				
Loan & Advances received	Nil	50,00,000	4,00,000	34,00,000
	<i>1,53,441</i>	<i>8,00,000</i>	<i>13,00,000</i>	<i>23,00,000</i>
Loan & Advances given	10,50,651			Nil
	<i>57,09,903</i>			<i>4,438</i>
Purchase of Technology	1,79,81,999			1,14,14,250
	<i>1,76,11,998</i>			<i>2,01,69,576</i>
Purchase of Asset				Nil
				<i>7,76,719</i>
Investment Made				
Balance as at March 31, 2014				
Investments	64,03,005			
	<i>70,02,905</i>			
Trade Receivables				
Loans & Advances	1,23,23,816			Nil
	<i>1,44,67,154</i>			<i>21,184</i>
Deposits/Loan Accepted	5,00,000	15,31,686	31,40,000	28,00,000
	<i>5,00,000</i>	<i>38,65,000</i>	<i>50,88,000</i>	<i>23,00,000</i>
Trade and Other Payables	18,90,695			77,27,722
	<i>9,78,363</i>			<i>89,40,095</i>

Figures of Previous Year are represented in Italic form.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

DISCLOSURE IN RESPECT OF MATERIAL RELATED PARTY TRANSACTIONS DURING THE YEAR :

- a) Sales of goods and materials includes sales to Span Biotronics Pvt. Ltd. Rs.3,44,400 (Previous Year Rs NIL).
- b) Purchase/ materials consumed from Span Nihon Kohden Diagnostics Pvt. Ltd. Rs.52,362 (Previous Year Rs.NIL), Span Diagnostics SARL Rs.1,77,200(Previous Year Rs 1,77,250), Quest Biochemicals Pvt. Ltd. Rs.Nil (Previous Year Rs 17,328).
- c) Payment to Key Management Personnel include to Dr. Pradip K. Desai Rs.41,64,600 (Previous Year 87,76,000), Mr. Veeral P. Desai Rs.42,78,800 (Previous Year Rs.44,03,800), Dr. Madhukanta T. Patel Rs.5,72,463 (Previous Year Rs.23,52,350), Ms. Sujata V. Desai Rs.32,33,600 (Precious Year Rs.35,18,524).
- d) Interest on F.D./Loan includes Dr. M. T. Patel Rs. 1,17,165 (Previous Year Rs.3,85,975), Mr. Veeral P. Desai Rs. 19,130 (Previous Year Rs.NIL), Dr. Pradip K. Desai Rs. 97,315 (Previous Year Rs.NIL), Ms.Sujata V. Desai Rs. 16,129 (Previous Year Rs.11,000), Ms. Shital S. Kazi Rs.23,000 (Previous Year Rs.23,000), Ms. Tejal V.Desai Rs.1,17,233 (Previous Year Rs.2,84,861), Dr. Harshad R.Gandhi Rs.1,03,024 (Previous Year Rs. 78,742), Ms. Kokila H. Gandhi Rs.1,43,202 (Previous Year Rs.1,18,921), Mr. Sunil T. Patel Rs. 8,617 (Previous Year Rs.32,942), Desai Agri Bio-Tech Pvt.Ltd. Rs.2,34,312 (Previous Year Rs.2,09,458).
- e) Rent paid to Ms.Shital S.Kazi Rs. 48,000 (Previous Year Rs.NIL), Ms. Bhanuben T. Patel Rs.24,000 (Previous Year Rs.87,000), Ms.Sudhaben I. Patel Rs. 33,000 (Previous Year Rs. 1,32,000).
- f) Dividend Paid to Dr. Pradip K. Desai Rs. 6,53,440 (Previous Year Rs.NIL), Mr. Veeral P. Desai Rs. 2,62,316 (Previous Year Rs.NIL), Dr. Madhuben T. Patel Rs.26,080 (Previous Year Rs.NIL), Ms. Sujata V. Desai Rs. 50,788 (Previous Year Rs.NIL), Ms. Lataben P. Desai Rs. 3,58,530 (Previous Year Rs.NIL), Ms.Shital S. Kazi Rs.19,750 (Previous Year Rs.NIL), Ms.Tejal V. Desai Rs.5,000 (Previous Year Rs.NIL), Mr. Prakash K. Desai Rs.13,500 (Previous Year Rs.NIL), Mr. Sunil T. Patel Rs.5,000 (Previous Year Rs.NIL), Ms.Sudhaben I. Patel Rs.5,000 (Previous Year Rs.NIL).
- g) Gardening Expense paid to Desai Agri Bio-Tech Pvt. Ltd. Rs. 7,20,000 (Previous Year Rs. 7,20,000).
- h) Evaluation & Testing Charges paid to Quest Biochemicals Pvt. Ltd. Rs. 2,62,000 (Previous Year Rs NIL).
- i) Sales and Distribution Expenses include amount Paid to Span Diagnostics SA. (Pty.) Ltd .Rs. 21,41,399 (Previous Year Rs.23,89,935).
- j) Royalty paid to Span Diagnostics SARL Rs. 12,32,220 (Previous Year Rs. 13,22,096), Span Biotronics Pvt.Ltd Rs. 4,88,849 (Previous Year Rs. 44,370).
- k) License Fees from Span Nihon-Kohden Pvt. Ltd. Rs.21,90,000 (Previous Year Rs. 21,90,000).
- l) Other Income from Span Biotronics Pvt Ltd Rs. 10,34,793 (Previous Year Rs.11,53,566), Span Diagnostics SA. (Pty.) Ltd. Rs. 1,37,963 (Previous Year Rs.62,061), Dividend from Span Nihon Kohden Diagnostics Pvt. Ltd. Rs.36,00,000 (Previous Year Rs. 36,00,000), Dividend from Span Biotronics Pvt. Ltd. Rs.3,40,411 (Previous Year Nil).
- m) Loan received in the nature of fixed deposit from Dr. Pradip K. Desai Rs.42,00,000 (Previous Year Rs.NIL), Mr. Veeral P. Desai Rs.5,00,000 (Previous Year Rs.NIL), Dr. M.T.Patel Rs. Nil (Previous Year Rs. 8,00,000), Ms. Sujata V. Desai Rs.3,00,000 (Previous Year Rs.NIL), Ms. Tejal V. Desai Rs. Nil (Previous Year Rs.13,00,000), Dr. Harsad R. Gandhi Rs.2,00,000 (Previous Year Rs.NIL), Ms. Kokila H. Gandhi Rs. 2,00,000 (Previous Year Rs.NIL).
- n) Loan & Advances in nature of expense reimbursement received during the year include Span Nihon-Kohden Pvt. Ltd. Rs.NIL (Previous Year Rs.1,53,441), loan received from Desai Agri Bio-Tech Pvt. Ltd. Rs.34,00,000 (Previous Year Rs.23,00,000).
- o) Loan & Advances in nature of expense reimbursement given during the year include Span Nihon-Kohden Pvt. Ltd. Rs.1,20,447 (Previous Year Rs.1,25,639), Span Biotronics Pvt. Ltd. Rs. 9,30,204 (Previous Year Rs.41,50,567), Span Diagnostics SA. (Pty.) Ltd. Rs. Nil (Previous Year Rs.14,33,697), Quest Biochemicals Pvt. Ltd. Rs.Nil (Previous Year Rs 4,438).
- p) Purchase of Technology include Span Biotronics Pvt Ltd Rs. 1,79,81,999 (Previous Year Rs.1,76,11,998), Span Diagnostics SARL Rs.1,14,14,250 (Previous Year Rs. 2,01,69,576).
- q) Purchase of assets include Span Diagnostics SARL Rs.Nil (Previous Year Rs.7,76,719).
- r) Preference Shares redeemed by Span Biotronics Pvt. Ltd. Rs. 5,00,000.

32 INTEREST IN JOINT VENTURES Jointly Controlled Entities

Name of Joint Ventures	Country of Incorporation	Proportion of Ownership (%) as on	
		31-03-2014	31-03-2013
Joint Venture			
Span Nihon Kohden Diagnostics Pvt. Ltd.	India	45%	45%
Span Diagnostics South Africa (Proprietary) Ltd.	South Africa	46%	46%

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014
Financial interest in jointly controlled entities

Particulars	As at 31-03-2014 (Unaudited)		As at 31-03-2013 (Unaudited)	
	Span Nihon Kohden Diagnostics Private Ltd.	Span Diagnostics South Africa (Proprietary) Ltd.	Span Nihon Kohden Diagnostics Pvt. Ltd.	Span Diagnostics South Africa (Proprietary) Ltd.
Assets	3,61,55,550	5,58,756	3,16,99,004	12,37,118
Liabilities	34,64,404	10,65,009	19,98,065	7,09,970
Contingent Liabilities	30,12,055	Nil	5,60,017	Nil
Capital Commitments	Nil	Nil	Nil	Nil
Income	2,84,59,803	57	2,64,11,234	5,87,116
Expenses	1,67,22,397	7,35,325	1,34,58,060	15,80,732
Tax	34,93,838	43,541	38,91,600	Nil

33 FINANCIAL AND DERIVATIVE INSTRUMENTS
Derivative contracts entered into by the Company and outstanding as on March 31, 2014

- (i) For hedging interest rate related risks derivative contract in nature of forward contract is entered into by the Company and outstanding of which as on March 31, 2014 amount to Rs. Nil (Previous Year Rs. 1,09,84,334).
- (ii) Foreign currency exposures on account of trade receivables/ trade payables not hedged by derivative instruments .

Particulars	31-03-2014		31-03-2013	
	Amount in Original Currency	Amount in Indian Rupees	Amount in Original Currency	Amount in Indian Rupees
Foreign Currency Receivables				
USD	1,35,662	81,14,020	1,10,273	57,76,930
EURO	756	62,753	5,663	4,00,890
GBP	--	--	4,875	4,02,351
Foreign Currency Payable				
USD	4,94,093	4,12,50,769	91,570	2,50,85,927
EURO	22,502	22,60,175	16,272	13,90,148
GBP	1,19,279	77,10,030	2,77,377	1,62,69,094

- 34 The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

35 NOTES ON DISCONTINUING OPERATION

During the year, the Company has entered into an agreement for transfer of business undertaking with the Arkray Healthcare Pvt Ltd (Purchaser) on January 24, 2014. The agreement was subject to shareholders' approval along with compliance of certain conditions precedent prescribed in the agreement. One of the conditions was to obtain FIPB approval for the aforesaid transaction, which is critical event and non receipt of approval will make this agreement terminated. In light of the above information, management is of the view that although initial disclosure event in terms of Accounting Standard (AS) 24 - Discontinuing Operations has triggered, however bifurcation of assets and liabilities in to current and non current in the financial statements will be made considering its original realisation / settlement. As Mr. Veeral P. Desai, a promoter of the company will continue as Managing Director of the company and going forward, the company intends to utilize his expertise in carefully identified non-competing business areas, providing ample opportunities and handsome returns to share holder investments. In due course, the board shall also take up for consideration the potential use of the amount that would be received pursuant to the completion of the proposed transaction and finalisation of the consideration including the investment of such proceed in various new lines of business.

(Amount in Rs.)

Particulars	2013-14	2013-14	2013-14	2012-13	2012-13	2012-13
	Continuing Operation	Dis-Continuing Operation	Total	Continuing Operation	Dis-Continuing Operation	Total
Total Revenue	41,50,263	79,25,28,406	79,66,78,669	39,39,261	79,63,20,001	80,02,59,262
Cost of materials	82,124	32,61,62,396	32,62,44,520	45,833	30,62,88,223	30,63,34,056
Employee benefit expense	44,28,974	15,96,00,803	16,40,29,777	43,82,354	15,01,22,742	15,45,05,097
Finance Cost	-	4,41,32,429	4,41,32,429	-	3,77,71,052	3,77,71,052
Depreciation and amortisation expense	26,07,531	4,50,65,237	4,76,72,768	26,18,931	2,77,66,005	3,03,84,936
Other expense	21,41,399	25,47,18,975	25,68,60,374	23,89,935	25,14,26,550	25,38,16,485
Total Cost	92,60,028	82,96,79,840	83,89,39,868	94,37,053	77,33,74,573	78,28,11,626
Profit Before Tax	(51,09,765)	(3,71,51,434)	(4,22,61,199)	(54,97,792)	2,29,45,428	1,74,47,636
Income tax expense	-	(91,37,181)	(91,37,181)	-	(80,85,493)	(80,85,493)
Profit After tax	(51,09,765)	(4,62,88,615)	(5,13,98,380)	(54,97,792)	1,48,59,935	93,62,143

Particulars	2013-14	2013-14	2013-14	2012-13	2012-13	2012-13
	Continuing Operation	Dis-Continuing Operation	Total	Continuing Operation	Dis-Continuing Operation	Total
Total Assets	4,05,07,630	86,13,20,503	90,18,28,134	3,99,75,572	84,61,82,186	88,61,57,758
Total Liabilities	4,40,87,980	62,03,56,618	66,44,44,598	3,41,01,438	56,32,74,404	59,73,75,843
Net Assets	(35,80,350)	24,09,63,885	23,73,83,536	58,74,133	28,29,07,781	28,87,81,915

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014
CASH FLOW

Particulars	2013-14	2013-14	2013-14	2012-13	2012-13	2012-13
	Continuing Operation	Dis-Continuing Operation	Total	Continuing Operation	Dis-Continuing Operation	Total
Net Cash inflow/(outflow) from operating activities	(54,20,779)	9,53,00,809	8,98,80,030	(79,83,809)	9,48,23,997	8,68,40,187
Net Cash inflow/(outflow) from investing activities	36,00,000	(5,96,38,197)	(5,60,38,197)	36,00,000	(13,40,59,848)	(13,04,59,848)
Net Cash inflow/(outflow) from financing activities	--	(3,92,15,519)	(3,92,15,519)	--	4,75,87,023	4,75,87,023
Net cash inflow/(outflow) for the year attributable	(18,20,779)	(35,52,907)	(53,73,686)	(43,83,809)	83,51,171	39,67,362

36 The figures for the previous year have been regrouped/recast wherever necessary in conformity with those of current year.

For and on behalf of the Board of Directors

N. Gopalaswami *Chairman*

Veeral P. Desai *Managing Director*

Pankaj Ajmera *Company Secretary*

Place : Surat

Date : May 23, 2014

INDEPENDENT AUDITORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SPAN DIAGNOSTICS LIMITED

To the Board of Directors of Span Diagnostics Limited

We have audited the accompanying consolidated financial statements of Span Diagnostics Limited ("the Company") and its subsidiary and joint ventures (the Company, its subsidiary and joint ventures constitute "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 consolidated financial statements.

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

Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated financial statements", and Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statement of Span Diagnostics Limited, its subsidiary and joint ventures.

In our opinion and to the best of our information and according to the explanations given to us and based on the management accounts of the joint ventures as mentioned in the 'Other Matter' paragraph below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

The consolidated financial statements include the unaudited financial statements of 2 jointly controlled entity, whose financial statements reflect total assets (net) of Rs. 3,21,84,891 as at March 31, 2014, total revenue of Rs. 2,84,59,860 and net cash inflow amounting to Rs. 2,41,817 for the year ended on that date, as considered in the consolidated financial statements. Our opinion in so far as it relates to the amounts included in respect of these jointly controlled entities, is based solely on such unaudited financial statements.

For Haribhakti & Co.,
Chartered Accountants
Firm Registration No. 103523W

Prashant M. Maharishi
Partner
Membership No. 41452
Place : Ahmedabad
Date : May 23, 2014

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	Note	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	7,27,60,000	7,27,60,000
Reserves & Surplus	3	15,35,39,387	21,78,23,854
		<u>22,62,99,387</u>	<u>29,05,83,854</u>
Minority Interest		5,82,674	2,60,418
Non Current Liabilities			
Long Term Borrowings	4	8,62,76,964	13,81,27,517
Deferred Tax Liabilities (Net)	5	4,28,01,370	3,34,05,514
Long Term Provisions	6	63,49,937	68,49,237
		<u>13,54,28,271</u>	<u>17,83,82,268</u>
Current Liabilities			
Short Term Borrowings	7	19,35,63,765	19,00,85,802
Trade Payables	8	10,61,13,823	5,11,65,584
Other Current Liabilities	9	22,41,65,333	15,68,89,254
Short Term Provisions	10	96,13,598	2,40,30,001
		<u>53,34,56,519</u>	<u>42,21,70,641</u>
TOTAL		<u>89,57,66,851</u>	<u>89,13,97,181</u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	30,44,45,358	29,72,83,661
Intangible Assets	11	10,81,64,576	6,91,68,712
Capital Work-in-Progress	11	77,36,130	2,16,48,823
Intangible Assets under Development	11	98,13,259	4,83,18,695
Non Current Investments	12	2,000	2,000
Deferred Tax Asset ((Net)	13	3,96,944	5,76,331
Long term Loans and Advances	14	4,24,43,773	4,16,35,437
Other Non Current Assets	15	32,12,040	70,23,947
		<u>47,62,14,080</u>	<u>48,56,57,606</u>
Current Assets			
Inventories	16	17,26,13,056	14,25,87,211
Trade Receivables	17	18,21,52,351	20,02,69,689
Cash and Cash Equivalents	18	3,85,26,105	3,68,93,793
Short term Loans and Advances	19	2,62,61,259	2,59,88,882
		<u>41,95,52,771</u>	<u>40,57,39,575</u>
TOTAL		<u>89,57,66,851</u>	<u>89,13,97,181</u>
Summary of Significant Accounting Policies	1		
Notes on Financial Statements	1 to 38		
The notes on financial statements form an integral part of the financial statements			

As per our Report of even date :

For Haribhakti & Co.,
 Chartered Accountants
Firm Registration No. 103523W
Prashant M. Maharishi
 Partner
 Membership No. 41452

 Place : Ahmedabad
 Date : May 23, 2014

For and on behalf of the Board of Directors

N. Gopalaswami *Chairman*
Veeral P. Desai *Managing Director*
Pankaj Ajmera *Company Secretary*

 Place : Surat
 Date : May 23, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note	2013-14 Rs.	2012-13 Rs.
INCOME			
Revenue from Operations	20	81,32,52,154	81,50,50,573
Other Income	21	55,92,506	99,24,109
Total Revenue		<u>81,88,44,660</u>	<u>82,49,74,682</u>
EXPENSES			
Cost of Materials Consumed	22	31,75,83,006	26,82,28,531
Purchase of Stock-in-Trade		3,33,20,756	2,83,23,215
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(1,82,95,518)	1,60,49,410
Employee Benefits Expense	24	17,71,74,582	16,55,86,657
Finance Costs	25	4,41,32,428	3,77,88,255
Depreciation and Amortisation Expense		4,84,77,837	3,12,13,668
Other Expenses	26	26,46,20,627	26,09,95,744
Total Expenses		<u>86,70,13,718</u>	<u>80,81,85,480</u>
PROFIT BEFORE EXCEPTIONAL ITEMS & TAX		(4,81,69,058)	1,67,89,202
Add : Exceptional Items		-	-
PROFIT BEFORE TAX		<u>(4,81,69,058)</u>	<u>1,67,89,202</u>
Profit/(Loss) before tax from continuing operation		22,43,755	64,61,767
Current Tax Expenses		(35,77,451)	(38,91,600)
Deferred Tax		40,072	2,88,712
Income tax expense for continuing operation		(35,37,379)	(36,02,888)
Profit/(Loss) after tax from continuing operation		(12,93,624)	28,58,879
Profit/(Loss) before tax from discontinuing operation		(5,04,12,814)	1,03,27,435
Current Tax Expenses		(20,25,000)	(46,50,000)
MAT Credit Entitlement/(Utilisation)		-	25,90,000
Deferred Tax		(93,40,086)	(80,49,378)
Tax adjustment of earlier year		2,97,191	2,50,249
Income tax expense for discontinuing operation		(1,10,67,895)	(98,59,129)
Profit/(Loss) after tax from discontinuing operation		(6,14,80,709)	4,68,306
PROFIT AFTER TAX BEFORE MINORITY INTEREST		(6,27,74,333)	33,27,185
Less : Minority Interest		1,94,023	2,10,318
PROFIT AFTER TAX & MINORITY INTEREST		<u>(6,29,68,356)</u>	<u>31,16,867</u>
Earning per equity share – Basic & Diluted (Rs.) (Nominal Value per share of Rs.10/- each (Previous year -Rs.10/- each))	27	(8.65)	0.43
Summary of Significant Accounting Policies			
Notes on Financial Statements	1		
The notes on financial statements form an integral part of the financial statements	1 to 38		

As per our Report of even date :

For Haribhakti & Co.,
Chartered Accountants
Firm Registration No. 103523W

Prashant M. Maharishi
Partner
Membership No. 41452

Place : Ahmedabad
Date : May 23, 2014

For and on behalf of the Board of Directors

N. Gopaldaswami *Chairman*
Veeral P. Desai *Managing Director*
Pankaj Ajmera *Company Secretary*

Place : Surat
Date : May 23, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	2013-14 Rs.	2012-13 Rs.
A CASH FLOW FROM THE OPERATING ACTIVITIES		
PROFIT BEFORE TAX	(4,78,71,867)	1,70,39,451
Depreciation and Amortization	4,84,77,837	3,12,13,668
Dividend Income	--	36,00,000
Interest Charged	4,41,32,428	3,77,88,255
Loss on Discarded Assets	84,742	--
Loss/(Profit) on sales of fixed assets (Net)	--	(21,251)
Operating Profit before working capital changes	4,48,23,140	8,96,20,123
ADJUSTED FOR CHANGES IN		
(Increase)/ Decrease in Short term loans and Advance	(2,72,377)	2,05,96,400
(Increase)/ Decrease in Trade receivable	1,81,17,337	(6,68,82,561)
(Increase)/ Decrease in Long term loans and Advance	17,83,999	(62,69,872)
(Increase)/ Decrease in Other non Current assets	30,31,870	1,98,426
(Increase)/ Decrease in Inventories	(3,00,25,845)	2,65,82,703
Increase/(Decrease) in long term provision	(4,99,300)	9,99,225
Increase/(Decrease) in Trade payable	5,49,48,240	(1,16,31,681)
Increase/(Decrease) in Other current Liabilities	95,68,091	2,57,39,881
Increase/(Decrease) in Short term provision	(1,11,85,621)	1,13,22,706
Cash generated from operations	9,02,89,535	9,02,75,350
Less : Direct taxes (Including FBT of earlier year) paid during the year	81,94,787	1,13,78,047
Cash flow before Extra-ordinary items	8,20,94,748	7,88,97,303
Net cash flow from operating activities	8,20,94,748	7,88,97,303
Net cash flow from operating activities for continuing operation	23,71,561	88,85,991
Net cash flow from operating activities for discontinuing operation	7,97,23,187	7,00,11,312
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition in Fixed Assets and Capital Work in Process	(4,23,39,739)	(11,71,07,648)
Proceeds from Sales of Fixed Assets	1,22,470	1,89,373
Proceeds/(Investment in Fixed Deposit having original maturity more than 90 days	(57,99,606)	(58,00,456)
Dividend received	--	(36,00,000)
Net cash flow from investing activities	(4,80,16,875)	(12,63,18,731)
Net cash flow from investing activities for continuing operation	--	36,00,000
Net cash flow from investing activities for discontinuing operation	(4,80,16,875)	(12,99,18,731)
C CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/Proceeds(of)/from Borrowings	92,31,782	8,52,73,449
Interest paid	(4,41,32,428)	(3,77,88,255)
Dividend & Corporate Dividend Tax Paid	(41,24,559)	(43,75,721)
Net cash flow from financing activities	(3,90,25,205)	4,31,09,473
Net cash flow from financing activities for continuing operation	-	-
Net cash flow from financing activities for discontinuing operation	(3,90,25,205)	4,31,09,473
Net changes in cash and cash equivalents (A+B+C)	(49,47,332)	(43,11,955)
Net changes in cash and cash equivalents for continuing operation	23,71,561	1,24,85,991
Net changes in cash and cash equivalents for discontinuing operation	(73,18,893)	(1,67,97,946)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	1,76,52,242	2,19,64,198
CASH AND CASH EQUIVALENTS - CLOSING BALANCE*	1,27,04,911	1,76,52,242
Components of Cash and Cash Equivalents		
Cash in hand	2,13,220	2,78,825
with Banks		
- in Current Account	1,24,91,691	1,73,73,417
- in Fixed Deposit	--	-
Cash and cash equivalents as per cashflow statement	1,27,04,911	1,76,52,242
Add. : FDs with original maturity of more than 90 days but part of cash and equivalent	2,58,21,194	1,92,41,551
Cash and cash equivalent as per Note No. 18	3,85,26,105	3,68,93,793

As per our Report of even date :
For Haribhakti & Co.,
 Chartered Accountants
Firm Registration No. 103523W

Prashant M. Maharishi
 Partner
 Membership No. 41452

Place : Ahmedabad
 Date : May 23, 2014

For and on behalf of the Board of Directors

N. Gopaldaswami *Chairman*
Veeral P. Desai *Managing Director*
Pankaj Ajmera *Company Secretary*

Place : Surat
 Date : May 23, 2014

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. Summary of Significant Accounting Policies on consolidated Accounts

i) Basis of Preparation of Financial Statements.

The financial statements are prepared under historical cost convention on accrual basis of accounting and in accordance with the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

ii) Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

iii) Principal of Consolidation.

- 1 The financial statements of the Parent Company and Subsidiary Company have been consolidated on line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealized profits/(losses) in intra-group transactions in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statement”.
- 2 Interest in Joint Venture have been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 - “Financial Reporting of Interest in Joint Venture”
- 3 The difference between cost of investment in subsidiary company over the net asset at the time of acquisition of shares in the subsidiary is recognized in the financial statements as goodwill or capital reserve as the case may be.
- 4 Minority interest's share in net asset of the subsidiary Company for the year is identified and presented in consolidated balance sheet separate from liabilities and equity of the company's shareholders.
- 5 As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements
- 6 The notes and significant policies of consolidated financial statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Company has disclosed such notes and policies which represent the required disclosure.

iv) Revenue Recognition & other Accounting Policies

- a. The Company recognizes revenue on the sale of products when risks and rewards of the ownership is transferred to the customer. Sales are accounted net of amount recovered towards excise duty, sales tax and sales returns.
- b. Sales returns are accounted on actual receipt of return goods / settlement of claims.
- c. Services are accounted for pro-rata over the period of contract.
- d. Interest income is recognised on pro-rate basis.
- e. Dividend income is recognised when right to receive the dividend is established.

v) Tangible Assets & Depreciation

- a) Tangible Assets are stated at cost of acquisition / construction, cost of improvement and any attributable cost of bringing the asset to its working condition for intended use or at revalued amounts wherever such assets have been revalued less accumulated depreciation.
- b) Depreciation on all assets except Buildings at Sachin is provided on written down value method and Depreciation on Buildings at Sachin is provided on Straight line Method at the rates and in the manner specified in schedule XIV of the Companies Act, 1956.

vi) Intangible Assets and Amortization :

Intangible assets are measured at cost. Lump sum fees for technical know-how is amortised over the period of agreement or as per management's best estimate of useful life but not exceeding 10 years. SAP Software expenses are amortised over the period of five years.

vii) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying fixed assets are capitalised as part of the cost of the assets upto the date the asset is put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

viii) Foreign Currency Transactions

- (a) Transactions other than those covered by forward contracts are accounted at exchange rates prevailing on the date of transaction.
- (b) Forward premium in respect of forward exchange contract is recognised over the life of contract.
- (c) Monetary foreign currency items other than those covered by forward contracts (i. e. receivable, payable, etc.) denominated in

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

foreign currency is reported using the closing exchange rate on each balance sheet date. Exchange difference is recognised as income/expense.

(d) Non-monetary foreign currency items are carried at historical cost determined on the date of transaction.

ix) Employee Benefits

a) Short Term Employee Benefits :

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and the expected cost of bonus are recognized in the period in which an employee renders the related services.

b) Post-Employment Benefits :

i. Defined Contribution Plans: The Company's Statutory Provident Fund, Employees' Super-annuation Fund and Employee State Insurance Scheme are defined contribution plans. The Super-annuation fund created by the company has taken Super-annuation cum life insurance policy from Life Insurance Corporation of India. The company has no further obligation for Super-annuation, Provident Fund and Employee State Insurance beyond its contribution.

ii. Defined Benefit Plan: The Employees' Group Gratuity Fund is the Company's defined benefit plan for which Company has taken Group Gratuity cum Life Insurance Policy from Life Insurance Corporation of India. Gratuity expenses are recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of defined benefits are charged to the Statement of Profit and Loss.

iii. Provision for accrued leave encashment is provided for on the basis of actuarial valuations made at the year end.

iv. In case of Joint Venture, leave encashment which are accrued for the period in which the employee renders the related services are determined on the basis of actual valuation carried out by the management as at balance sheet date.

x) Taxation

Income Tax comprises of Current Tax and net changes in Deferred Tax Assets or Liability during the period. Current Tax is determined as the amount of tax payable in respect of taxable income for the period as per the enacted Tax Regulations.

Deferred Tax Assets and Liabilities are recognized for the future tax consequences of timing differences between the book profit and tax profit. Deferred Tax Assets and Liabilities other than on carry forward losses and unabsorbed depreciation under tax laws are recognized when it is reasonably certain that there will be future taxable income. Deferred Tax Asset on carry forward losses and unabsorbed depreciation, if any, are recognized when it is virtually certain that there will be future taxable profit. Deferred Tax Assets and liabilities are measured using substantively enacted tax rates. The effect on Deferred Tax Assets and Liabilities of a change in tax rates is recognized in the Statement of Profit & Loss in the period of substantive enactment of the change.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in the future period.

xi) Valuation of stock

The mode of valuing closing stock is as under:

Inventory Type	Mode of Valuation
Raw-Materials, Packing Materials & Other Materials	At lower of cost or net realizable value
Work-in-Process	At lower of cost or net realizable value
Finished Goods/ Traded Goods for resale	At lower of Cost or net realizable value.

The cost for the purpose of valuation of Finished Goods and work-in-process includes material cost, direct conversion cost and appropriate share of overheads incurred for bringing the goods to their present location and condition plus excise duty wherever applicable. The cost is computed based on weighted average basis.

xii) Leases

Assets acquired on lease and assets given on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

The initial direct cost of lease is charged to Statement of Profit and Loss as and when incurred.

Lease rental are charged to Statement of Profit and loss on accrual basis.

xiii) Provision for Bad and Doubtful debts

Provision is made in accounts for Bad and Doubtful Debts as and when the same in opinion of the management are considered doubtful of recovery.

xiv) Liquidated Damages

Liabilities in respect of Liquidated Damages are provided if and to the extent, not disputed by the Company. Liquidated Damages disputed by the Company are treated as contingent liability. The amount of liability/contingent liability is estimated on the basis of contracted terms, facts of each case and to the extent of revenue recognised.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

xv) **Impairment of Fixed Assets**

Consideration is given at each Balance Sheet date to determine whether there is any indication of carrying amount of the Company's fixed assets. If there is any indication of impairment based on internal / external factors, then asset's recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

xvi) **Investment**

Long-term investments are carried at cost. Provision for diminution is made to recognize a decline, other than temporary in value of long-term investments and is determined separately for each individual investment. Current investments are carried at lower of cost and fair value computed separately in respect of each category of investment.

xvii) **Research & Development**

Revenue expenditure on research is charged as an expense in the year in which it is incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the product and the costs can be measured reliably. Capital expenditure on research and development is included as additions to fixed assets.

xviii) **Provisions, contingent liabilities and contingent assets**

Provisions:-

Provision is recognised when

- The Company has a present obligation as a result of past event;
- It is probable that an outflow of resources embodying economic benefit is expected to settle the obligation,
- A reliable estimate can be made for the amount of obligation.
- Provision for warranty related costs are recognised when product is sold. Provision is estimated based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

Contingent liability:-

Contingent Liability is disclosed in case of

- A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A possible obligation unless the probability of outflow of resources is remote.

Contingent assets:-

Contingent assets are neither recognised nor disclosed.

Provisions, Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

xix) **Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash Equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

xx) **Earnings per Share**

Basic earnings per share is calculated by dividing the net profit after tax for the period attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit after tax for the period attributable to the equity shareholders of the Company by weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

xxi) **Miscellaneous Expenditure.**

Preliminary expenses of subsidiary are amortised in its books over a period of five years in accordance with section 35D of the Income Tax Act, 1961.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2	SHARE CAPITAL	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	Authorised		
	1,50,00,000 Equity Shares of Rs. 10/- each. (Previous year 1,50,00,000)	15,00,00,000	15,00,00,000
	Issued, Subscribed and paid-up		
	72,76,000 (Previous year 72,76,000) Equity Shares of Rs.10/- each fully paid up	7,27,60,000	7,27,60,000
		<u>7,27,60,000</u>	<u>7,27,60,000</u>

2.1 There was no increase in Capital during the current year. However, during the year 2010-11, 1,65,250 equity shares each of Rs. 10 were issued on a preferential basis by the company at a premium of Rs. 29.97 each aggregating to Rs. 66,05,042/-. Further 36,38,000 equity shares of Rs 10 each were issued in the year 2010-11 as bonus shares in ratio of 1:1 by capitalizing securities premium which in aggregate amounts to Rs 3,63,80,000/-.

2.2 The details of shareholders holding more than 5% shares.

Name of Shareholder	As at 31-03-2014		As at 31-03-2013	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Pradipkumar Keshavlal Desai	13,06,880	17.96	13,06,880	17.96
Lataben P. Desai	7,17,060	9.86	7,17,060	9.86
Natwerlal Shivabhai Patel	5,54,920	7.63	5,54,920	7.63
Veeral Pradipkumar Desai	5,24,632	7.21	5,24,632	7.21

2.3 The reconciliation of the number of shares outstanding is set out below

Particulars	As at 31-03-2014 No. of Shares	As at 31-03-2014 Amount in Rs.	As at 31-03-2013 No. of Shares	As at 31-03-2013 Amount in Rs.
Equity Shares outstanding at the beginning of the year	72,76,000	7,27,60,000	72,76,000	7,27,60,000
Add: Shares Issued during the year	--	--	--	--
Less : Shares bought back during the year.	--	--	--	--
Equity Shares outstanding at the end of the year.	72,76,000	7,27,60,000	72,76,000	7,27,60,000

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

3	RESERVES AND SURPLUS	As at			
		31-03-2014	31-03-2013		
		Rs.	Rs.		
Capital Reserve :					
As per last Balance Sheet		47,05,775	42,05,775		
		47,05,775	42,05,775		
Capital Redemption Reserve :					
As per last Balance Sheet		--	--		
Addition During the year		5,00,000	--		
Closing Balance as on 31-03-2014		5,00,000	--		
Securities Premium Reserve :					
Balance as per last Balance Sheet		98,24,798	98,24,798		
		98,24,798	98,24,798		
General Reserve :					
Balance as per last Balance Sheet		7,53,07,508	7,45,29,384		
Add: Transfer from Profit & Loss Account		--	7,78,124		
		7,53,07,508	7,53,07,508		
Surplus :					
As per last Balance Sheet		12,78,19,725	12,97,09,157		
Add : Profit/(Loss) for the year		(6,29,68,356)	31,16,867		
		6,48,51,369	13,28,26,024		
Less : Appropriation		--	-		
Proposed Dividend on Equity Shares		--	36,38,000		
Dividend Distribution Tax		--	5,90,175		
Dividend on Preferences Shares		3,40,411	--		
Dividend Distribution Tax		57,853	--		
Adjustment due to Audited/unaudited figure on JV		(3,08,013)	--		
Transfer to Capital Redemption Reserve		5,00,000	--		
Transfer to General Reserve		-	7,78,124		
		6,42,61,118	12,78,19,725		
Foreign Currency translation Reserve		(5,59,812)	6,66,048		
		15,35,39,387	21,78,23,854		
4	LONG TERM BORROWINGS	As at 31-03-2014		As at 31-03-2013	
		Rs.		Rs.	
SECURED		Non Current	Current	Non Current	Current
Term loan from banks		5,87,65,964	3,21,22,327	7,56,92,071	1,85,98,814
Term loan from Other Parties		1,06,19,400	17,69,900	1,23,89,300	17,69,900
Deferred Payment Liabilities		1,68,91,600	21,11,400	1,68,91,600	21,11,400
UNSECURED					
Deposits		--	5,85,43,000	3,25,25,000	1,52,82,000
Other Parties		--	8,19,859	6,29,546	--
		8,62,76,964	9,53,66,486	13,81,27,517	3,77,62,114
4.1	Term Loan from banks other than Vehicle Loans are secured by hypothecation of plant and machineries, some of moveable properties of the company, equitable mortgage of some of the immovable properties of the company. Vehicle loans of Rs. 1,64,929 (Previous Year: Rs. 3,13,064) are secured by hypothecation of respective vehicles.				
4.2	Term Loan from other parties and deferred payment liabilities are secured by hypothecation of moveable assets including Plant and Machinery and equipments which has been procured through utilization of earmarked funds and intangibles which will be generated from projects.				
4.3	Secured Loans are guaranteed by some of Directors of the Company and Mrs. Lata P. Desai				
4.4	Deposits includes deposits from Related Parties of Rs. 40,40,000 (Previous year Rs.89,53,000) (Refer Note 34) carrying rate of interest as per standard norms of deposits.				
4.5	Interest Rate Profile of Term Loans & Deposits and Maturity Profile of Term Loans & Deposits are same as given in standalone financial.				

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

5	DEFERRED TAX LIABILITIES (Net)	As at 31-03-2014	As at 31-03-2013
		Rs.	Rs.
	Deferred Tax Liability		
	Difference between Depreciable Assets as per books of accounts and written down value for tax purpose	4,19,45,213	2,53,26,892
	Deferred Revenue Exp. (CWIP-R&D)	35,63,587	1,05,40,159
	Others (Gratuity)	3,72,771	12,59,497
		4,58,81,571	3,71,26,548
	Deferred Tax Assets		
	Disallowance U/S 43B		
	a) Provision for leave encashment	18,65,182	20,64,779
	b) Provision for bad/doubtful debts	34,858	5,82,280
	c) Provision for bonus	11,80,161	10,73,975
		30,80,201	37,21,034
	Net Deferred Tax Liability	4,28,01,370	3,34,05,514
6	LONG TERM PROVISIONS :	As at 31-03-2014	As at 31-03-2013
		Rs.	Rs.
		Non Current	Current
		Non Current	Current
	Leave Encashment (Unfunded)*	34,61,899	22,86,850
	Interest accrued but not due on borrowings	28,88,038	34,32,573
		63,49,937	57,19,423
		68,49,237	40,78,125
	*Provision for accrued leave encashment is provided on the basis of actuarial valuations made at the year end.		
7	SHORT TERM BORROWINGS	As at	As at
	SECURED	31-03-2014	31-03-2013
		Rs.	Rs.
	Working Capital Loans from Banks	19,01,32,079	18,77,85,802
	UNSECURED		
	Loans and Advances from Related Parties (Refer Note No. 34)	28,00,000	23,00,000
	Loans and Advances from Directors (Refer Note No. 34)	6,31,686	-
		19,35,63,765	19,00,85,802
7.1	Working Capital Loan are secured by hypothecation of Current Assets and collaterally secured by the personal guarantees of promoter Directors & Mrs. Lata P. Desai, equitable mortgage of some of the immovable properties of the Company. The Interest rate in INR portion varies from 10.60% to 14.50% (Previous year 13.50% to 14.50%) Short Term Loan from Related Party & Directors is 12% (Previous year at 12%)		
8.	TRADE PAYABLES	As at 31-03-2014	As at 31-03-2013
		Rs.	Rs.
	Micro. Small and Medium Enterprises	-	-
	Others	10,61,13,823	5,11,65,584
		10,61,13,823	5,11,65,584
8.1	The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act has not been given. This has been relied upon by the Auditors.		
9.	OTHER CURRENT LIABILITIES	As at 31-03-2014	As at 31-03-2013
		Rs.	Rs.
	Current maturities of long term debt (Refer Note No.4)	9,53,66,486	3,77,62,114
	Interest accrued but not due on borrowings	34,32,573	16,82,194
	Creditors for Capital Expenditure @ (Refer Note No 34).	1,50,26,698	1,19,36,971
	Forward Contract Payable (Net of receivable)	--	8,11,668
	Income received in advance	19,20,737	12,08,998
	Unclaimed Dividend #	5,79,215	4,75,599
	Statutory Dues	1,25,40,968	1,05,91,696
	Security Deposits*(Refer Note No 34).	2,23,96,513	1,98,42,957
	Advance from Customers	1,94,47,013	1,62,03,359
	Other Payables@(Refer Note No 34).	5,34,55,130	5,63,73,698
		22,41,65,333	15,68,89,254

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

* Includes Security Deposit from stockiest carrying interest rates varying from 10-12% p.a and Deposits from Related Party of Rs 2,75,000 (Previous Year 2,75,000)

@ Includes Rs 80,07,324 (Previous Year 99,18,458) payable to Related Parties (Refer Note No 34).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

10	SHORT TERM PROVISIONS :	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	Provision for Employees Benefits	37,20,671	34,62,097
	Proposed Dividend	--	36,38,000
	Tax on Dividend	--	5,90,175
	Provision for Tax (Net of Advance Tax & TDS)	14,927	--
	Provision for Current Obligation of Leave Encashment (Refer note 6)	22,86,850	23,95,931
	Provision for Gratuity(Funded)	2,60,674	86,582
	Provision for Leave Encashment(Funded)	6,82,573	4,46,365
	Other Provisions*	26,47,903	1,34,10,851
		96,13,598	2,40,30,001

* Includes provision for warranty of Rs 6,46,102 (Previous Year 5,15,645) which is estimated based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

11 FIXED ASSETS

Sr. No.	Name of Assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 01-04-2013 Rs	Additions Rs	Deduction/ Adjustment Rs.	As at 31-03-2014 Rs	As at 01-04-2013 Rs	For the Year Rs.	Deductions/ Adjustment Rs.	As at 31-03-2014 Rs.	As at 31-03-2014 Rs	As at 31-03-2013 Rs
	Tangible Fixed Assets										
	Leased Asset :-										
1	Leasehold Land	1,15,38,900		--	1,15,38,900	--				1,15,38,900	1,15,38,900
	Owned Assets :-										
1	Free hold Land	7,98,300			7,98,300	--				7,98,300	7,98,300
2	Buildings & Roads	16,14,67,247	54,57,503	--	16,69,24,750	4,76,00,170	57,50,499	--	5,33,50,669	11,35,74,081	11,38,67,077
3	Plant & Machineries	16,07,68,704	2,56,92,105	--	18,64,60,809	6,06,28,703	1,60,80,619	--	7,67,09,322	10,97,51,487	10,01,40,001
4	Electrical Installations	228,04,598	16,49,402	--	2,44,54,000	96,52,718	19,22,103	--	1,15,74,821	1,28,79,179	1,31,51,880
5	Cold Rooms/Storages	1,40,06,894	79,080	--	1,40,85,974	59,23,569	11,33,233	--	70,56,802	70,29,172	80,83,325
6	Loose Tools, Moulds, Utilities and other Equipments	2,45,77,628	8,96,171	95,700	2,53,78,099	1,60,34,975	16,98,277	79,565	1,76,53,687	77,24,412	85,42,653
7	Laboratory Equipments	1,44,16,491	42,29,039	1,37,081	1,85,08,449	60,38,045	17,45,992	25,800	77,58,237	1,07,50,212	83,78,446
8	R & D Equipments	1,25,18,258	16,401	--	1,25,34,659	53,19,527	10,37,568	--	63,57,095	61,77,564	71,98,731
9	Furniture & Fixtures	3,16,45,332	38,14,232	--	3,54,59,564	1,32,75,224	38,04,898	--	1,70,80,122	1,83,79,442	1,83,70,108
10	Computers	1,11,31,301	3,37,266	16,750	1,14,51,817	90,98,141	9,16,963	56,368	99,58,736	14,93,081	20,33,160
11	Office Equipments	46,94,523	1,27,231	56,796	47,64,958	31,56,635	2,78,336	22,124	34,12,847	13,52,111	15,37,888
12	Vehicles	96,44,436	2,94,639		99,39,075	60,01,244	9,40,414		69,41,658	29,97,417	36,43,192
	Total (A)	48,00,12,612	4,25,93,069	3,06,327	52,22,99,353	18,27,28,951	3,53,08,902	1,83,857	21,78,53,996	30,44,45,358	29,72,83,661
	Intangible Assets										
1	Goodwill	11,07,891		--	11,07,891	3,22,120			3,22,120	7,85,771	7,85,771
2	Technical Know how	8,59,24,300	5,04,88,449		13,64,12,749	2,04,64,479	1,20,22,944		3,24,87,423	10,39,25,326	6,54,59,821
3	Software	1,10,96,518	16,76,350		1,27,72,868	81,73,398	11,45,991		93,19,389	34,53,479	29,23,120
	Total (B)	9,81,28,709	5,21,64,799		15,02,93,508	2,89,59,997	1,31,68,935	--	4,21,28,932	10,81,64,576	6,91,68,712
	Total (A+B)	57,81,41,321	9,47,57,868	3,06,327	67,25,92,861	21,16,88,948	4,84,77,837	1,83,857	25,99,82,928	41,26,09,934	36,64,52,373
	Previous Year	41,03,69,664	16,84,92,416	7,20,758	57,81,41,320	18,10,27,916	3,12,13,668	5,52,636	21,16,88,948	22,93,41,747	22,93,41,747
	Capital Work-in-Progress									77,36,130	2,16,48,823
	Intangible Assets under Development									98,13,259	483,18,695

11.1 Land Cost includes Rs.950/- being the cost of 19 shares fully paid up of Rs.50/- each of Udhna Udyog Nagar Sahakari Sangh Ltd., Udhna.

11.2 Leasehold land cost includes cost of land allotted by G.I.D.C. on lease. This lease is for 99 years and same is treated as perpetual lease hence no amortisation is done

11.3 In accordance with AS-16 related to Borrowing costs which amounts to Rs.11,75,812 has been capitalized during the year (Previous year Rs. 33,96,672.)

12 NON CURRENT INVESTMENTS
Non Trade Investments (Unquoted fully Paid Up)
Investment in Equity Shares
Investment in Other

Sachin Infra Management Ltd.

(200 Shares (Previous Year - 200 Shares) of Rs. 10 each

Aggregate Amount of Unquoted Investments (At Cost)

	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
Sachin Infra Management Ltd.	2,000	2,000
Aggregate Amount of Unquoted Investments (At Cost)	2,000	2,000

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

13	DEFERRED TAX (LIABILITY)/ ASSET	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	Difference between Depreciable Assets as per books of accounts and written down value for tax purpose	--	9,771
		--	9,771
	Deferred Tax Assets		
	Difference between Depreciable Assets as per books of accounts and written down value for tax purpose	1,35,754	3,05,000
	Provision for Leave Salary	2,16,489	1,42,358
	Provision for Gratuity	44,701	61,048
	Provision - Bonus	-	77,696
		3,96,944	5,86,102
	Net Deferred tax (Liability)/Asset	3,96,944	5,76,331
14	LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	Capital Advances	1,78,28,617	1,88,12,791
	Loans and Advances to Related Parties* (Refer Note No. 34)	5,82,421	7,74,196
	Advance Income Tax (Net of Provision)	1,74,44,605	1,48,52,269
	Security Deposits	65,88,130	71,96,181
		4,24,43,773	4,16,35,437
	* Loans and Advances shown above, fall under the category of 'Long Term Loans & Advances' in nature of Loans and are re-payable within 3 to 5 years		
15	OTHER NON CURRENT ASSETS	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	Advance to Gratuity Trust	12,64,941	39,72,253
	Term Deposit maturing after 1 year*	19,47,099	27,27,136
	Other	--	3,24,558
		32,12,040	70,23,947
	* Includes deposits of Rs.19,46,099 (Previous Year Rs.26,70,136) held as margin money deposits against guarantees.		
16	INVENTORIES (As per inventory taken, valued and certified by the Management)	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	Raw Materials	4,17,25,794	3,90,63,952
	Packing Materials	2,63,05,872	1,97,46,601
	Packing Materials in Transit	--	15,86,011
	Consumable Stores	1,56,62,052	99,90,595
	Work-in-Process	1,07,18,737	94,47,940
	Semi-Finished	1,72,47,207	1,14,58,618
	Finished Goods	5,15,73,804	3,69,60,000
	Stock in Trade	93,79,590	1,43,33,494
		17,26,13,056	14,25,87,211
17	TRADE RECEIVABLES Unsecured	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	Outstanding for period exceeding six months from the date they are due	1,63,85,525	1,28,66,937
	Considered Good	1,07,438	17,94,668
	Considered Doubtful	1,07,438	17,94,668
	Less : Provision for Doubtful Debts	1,63,85,525	1,28,66,937
	Other - Considered Good *	16,57,66,826	18,74,02,752
		18,21,52,351	20,02,69,689

* Trade receivable includes debt due by the Private Company in which director is a member of Rs NIL (Previous Year Rs 1,58,059).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
18 CASH AND CASH EQUIVALENTS		
Bank Balances with Banks :		
In Current Accounts*	1,24,91,691	1,73,73,417
In Fixed Deposits Accounts #	2,58,21,194	1,92,41,551
Cash on Hand	2,13,220	2,78,825
	3,85,26,105	3,68,93,793
* Includes Earmarked Balances of Rs 6,15,849 (Previous Year Rs.5,22,177) in respect of Project and Unpaid Dividend .		
# Includes deposits of Rs.44,89,504 (Previous Year Rs.31,22,561)held as margin money deposits against guarantees.		
19 SHORT TERM LOANS AND ADVANCES	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
Unsecured and considered good		
Loans and Advances to Related Parties (Refer Note No 34)	3,58,177	4,77,111
Current maturities of long term loan and advance to Related Parties (Ref Note No 34)	2,20,387	--
Balance with Statutory Authorities	73,99,264	63,94,527
Security Deposits	11,23,926	7,04,735
Advance to Sundry Creditors	33,74,903	1,11,26,852
Prepaid Expenses	1,08,18,563	57,34,536
Deferred Forward Premium	--	89,512
Others#	29,66,039	14,61,609
	2,62,61,259	2,59,88,882
# Includes Loan to the Employees of Rs 6,12,080 (Previous Year Rs. 4,97,500)		
20 REVENUE FROM OPERATIONS	2013-14 Rs.	2012-13 Rs.
Sales of Products	81,71,69,434	82,08,70,723
Less : Excise Duty recovered on Sales	88,48,857	1,02,59,752
	80,83,20,577	81,06,10,971
Sales of Services (net of service tax)	32,93,281	43,20,163
Other Operating Income	16,38,296	1,19,439
	81,32,52,154	81,50,50,573
21 OTHER INCOME	2013-14 Rs.	2012-13 Rs.
Interest Income	34,89,676	32,24,113
Profit on Sale of Assets	--	21,251
Leave and Licence Fees Income (Refer Note No. 34)	12,04,500	12,04,500
Dividend Income (Refer Note No. 34)	--	36,00,000
Other Non Operating Income*	8,98,330	18,74,245
	55,92,506	99,24,109
22 COST OF MATERIALS CONSUMED	2013-14 Rs.	2012-13 Rs.
Raw Materials Consumed	17,50,87,140	13,92,95,587
Packing Materials Consumed	14,24,95,866	12,89,32,944
	31,75,83,006	26,82,28,531

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

23	CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE	2013-14 Rs.	2012-13 Rs.
	Closing Stock		
	Work-in-Process	1,07,18,737	94,47,940
	Semi-Finished	1,72,47,208	1,14,58,618
	Finished Goods	5,15,73,804	3,69,60,000
	Stock-in-Trade	93,79,590	1,43,33,494
		<u>8,89,19,339</u>	<u>7,22,00,052</u>
	Less : Excise Duty	<u>15,80,802</u>	<u>31,57,033</u>
		8,73,38,537	6,90,43,019
	Opening Stock		
	Work-in-Process	94,47,940	97,73,039
	Semi-Finished	1,14,58,618	1,31,40,506
	Finished Goods	3,69,60,000	4,79,66,635
	Stock-in-Trade	1,43,33,494	1,98,14,894
		<u>7,22,00,052</u>	<u>9,06,95,074</u>
	Less : Excise Duty	<u>31,57,033</u>	<u>56,02,645</u>
		<u>6,90,43,019</u>	<u>8,50,92,429</u>
		<u>(1,82,95,518)</u>	<u>1,60,49,410</u>
24	EMPLOYEE BENEFITS EXPENSES	2013-14 Rs.	2012-13 Rs.
	Salaries, Wages, Benefies and other allowances (including Directors' Remuneration)	16,00,63,190	14,86,69,331
	Contribution to Provident and other funds	1,25,85,368	1,15,14,687
	Staff Welfare Expenses	45,26,024	54,02,639
		<u>17,71,74,582</u>	<u>16,55,86,657</u>
25	FINANCE COSTS :	2013-14 Rs.	2012-13 Rs.
	Interest Expenses* @	4,13,66,010	3,34,88,759
	Other Borrowing Costs #	27,66,418	42,99,496
		<u>4,41,32,428</u>	<u>3,77,88,255</u>
	* Include interest paid to Related Parties on fixed deposits Rs.8,79,127 (Previous year Rs.11,44,899) @ includes interest paid to Directors Rs. 97,315 (Previous Year Nil) # Relates Forward Premium Expense of Rs 1,56,490 (Previous Year Rs 25,45,968)		
26	OTHER EXPENSES	2013-14 Rs.	2012-13 Rs.
	Manufacturing Expenses		
	Processing Charges	2,95,49,863	2,46,58,439
	Laboratory Expenses	21,82,615	23,76,153
	Power and Fuel	2,27,52,509	2,04,34,867
	Stores Consumed	2,14,72,835	1,80,21,471
	Excise duty paid	82,68,727	75,31,401
	Repairs to Building	7,28,256	1,88,583
	Repairs to Plant & Machineries	14,54,394	12,14,489
	Research & Development Expenses	1,63,63,177	1,60,09,970
	Other Manufacturing Expenses	6,29,958	8,94,004
		<u>10,34,02,334</u>	<u>9,13,29,377</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	2013-14 Rs.	2012-13 Rs.
Selling & Distribution Expenses		
Liquidated Damage	39,01,005	1,25,92,289
Royalty (Refer Note No. 34)	75,51,776	80,03,567
Target Discount	30,27,166	26,82,270
Freight Outward Expenses.	3,31,35,168	3,31,58,493
Sales Commission	2,31,18,329	3,47,89,510
Travelling and Conveyance (Marketing)	2,01,62,126	1,82,38,651
Sales Promotion Expense (Refer Note No. 34)	68,00,988	48,60,737
Provision for Doubtful Debts	(31,246)	13,97,683
Other Selling & Distribution Expenses	16,08,560	19,02,476
	<u>9,92,73,872</u>	<u>11,76,25,676</u>
Administration and Other Expenses		
Communication Expenses	53,09,019	52,96,413
Printing and Stationery	7,55,867	8,31,108
Travelling and Conveyance (Others)	99,12,614	1,02,81,198
Directors' Sitting Fees & Allowances	2,55,000	2,05,000
Rates & Taxes	13,50,076	11,20,847
Insurance Charges	14,28,238	14,25,050
Rent (Refer Note No. 34)	26,19,187	22,41,506
Payment to Auditors	10,28,339	8,56,277
Legal & Professional Charges	81,64,057	90,10,203
Electricity Charges	19,08,769	19,41,728
House Keeping Expenses	27,82,496	22,81,298
Exchange Rate Loss/ (Gain)	61,43,111	3,93,955
Security Charges	24,49,850	15,93,599
Other Expenses	1,78,37,798	1,45,62,509
	<u>6,19,44,421</u>	<u>5,20,40,691</u>
	<u>26,46,20,627</u>	<u>26,09,95,744</u>

26.1 VALUE OF STORES & SPARES CONSUMED

Stores and Spares	2013-14		2012-13	
	Value in Rs.	% in Consumption	Value in Rs.	% in Consumption
Imported	18,84,109	8.77%	15,91,527	8.83%
Indigenous	1,95,88,726	91.23%	1,64,29,944	91.17%
	<u>2,14,72,835</u>	<u>100.00%</u>	<u>1,80,21,471</u>	<u>100.00%</u>

26.2 AUDITOR'S REMUNERATIONS

	2013-14 Rs.	2012-13 Rs.
Particulars		
Audit Fees	4,01,446	4,23,009
Tax Audit Fees	1,24,500	1,10,875
Other Services	2,97,328	1,70,000
Service tax on above fees	74,467	42,122
Reimbursement of Expenses	1,30,598	1,10,271
	<u>10,28,339</u>	<u>8,56,277</u>

26.3 EXPENDITURE AND EARNINGS IN FOREIGN EXCHANGE

	2013-14 Rs.	2012-13 Rs.
a) Earnings in Foreign Exchange		
Export of Goods calculated on F.O.B. basis	11,28,95,500	8,98,24,398
Recovery of Expenses	91,076	--
b) Expenditure in foreign currency		
1. Royalty	41,65,275	60,33,561
2. Bank Interest	1,06,391	55,98,905
3. Dividend	46,500	19,80,000
4. Technical Know-how	1,14,41,371	1,31,15,085
5. Salary and Other cost	20,48,876	24,73,221
6. Marketing expenses	21,02,451	21,46,349
7. Sales Promotion	17,51,067	21,71,200
8. Foreign Travelling expenditure	45,63,172	42,28,845
9. Other expenses	22,44,540	23,91,138

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	2013-14 Rs.	2012-13 Rs.
c) Value of imports calculated on CIF basis		
Raw Materials & Packing Materials	13,34,25,596	10,36,72,635
Goods for resale	2,76,48,073	2,53,75,010
Capital Goods	30,36,225	22,85,640
Consumable Stores	77,45,785	34,03,627

27 EARNING PER SHARE	2013-14 Rs.	2012-13 Rs.
Profit/(Loss) as per Statement of Profit and Loss (after adjusting Minority Interest)	(6,29,68,356)	31,16,867
weighted average number of equity shares outstanding	72,76,000	72,76,000
Basic and Diluted Earning per shares (face value - Rs. 10 per share)	(8.65)	0.43

28 The Subsidiary companies considered in the consolidated financial statements are :

Name of the Subsidiaries	Country of Incorporation	Proportion of Ownership interest
Span Biotronics Pvt. Ltd.	India	95.24%

29 Joint Ventures considered in the consolidated financial statements are :

Name of the Joint Venture	Country of Incorporation	Proportion of Ownership interest
Span Nihon Kohden Diagnostic Pvt. Ltd.*	India	45.00%
Span Diagnostics South Africa (Proprietary) Ltd. *	South Africa	46.00%

* Consolidation has been done on the basis of unaudited financial statements certified by their management.

30 In respect of jointly controlled entity, the company's share of assets, liabilities, income and expenditure of the joint venture company are as follows :

Particulars	Span Nihon Kohden Diagnostics Pvt. Ltd.		Span Diagnostics SA. (Pty.) Ltd.	
	As on 31-03-2014	As on 31-03-2013	As on 31-03-2014	As on 31-03-2013
Assets :				
Fixed Asset	30,03,483	34,14,084	2,94,639	7,85,771
Non Current Asset	2,08,893	4,40,229	2,32,509	1,88,958
Deferred Tax	2,48,042	4,83,198	Nil	Nil
Current Asset	3,26,95,132	2,73,61,493	31,608	2,62,389
Liabilities :				
Long Term Borrowing	Nil	Nil	Nil	6,19,546
Current Liabilities & Provisions	34,64,404	19,98,065	10,65,009	90,424
Income	2,84,59,803	2,64,11,234	57	5,87,116
Expenses	1,67,22,397	1,34,58,060	7,35,325	15,80,732

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014
31 CONTINGENT LIABILITIES AND COMMITMENTS
A. Contingent Liabilities

Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
a) Sales tax: Demands under contest (Net of Tax) C-Form Pending	5,66,001 20,88,125	4,06,103 14,38,922
b) Income tax Demands under dispute	2,16,07,889	2,16,07,889
c) Claims against the Company not acknowledged as Debts	25,42,704	44,87,971
d) On account of guarantees given by the bank on behalf of the company in favour of customs and others. .	5,38,78,577	4,81,60,197
e) The Company has imported material under the Advance Authorization Scheme of the Government of India, at concessional rates of customs duty by undertaking obligations to export certain quantity of specified products, For the future outstanding export obligations quantity under the Scheme as at 31-03-2014, which if not fulfilled may result in custom duty liability of (Net of tax)	52,282	49,315
f) Show Cause Notice has been issued by the Office of the Commissioner of Central Excise, Customs & Service Tax, Surat, during the current financial year towards levy of additional excise duty on sales made by the Company to their Related Parties for the period January 2012 to June 2012.	13,55,425	--

B. Capital Commitments

Particulars	As at 31-3-2014 Rs.	As at 31-3-2013 Rs.
Estimated amount of contracts (Net of advances) remaining to be executed on Capital Account and not provided for	2,68,89,918	56,17,753

32 LEASE

- i) The Company does not have financial lease arrangement.
- ii) The Company has taken residential, office and godown premises under short term cancelable lease arrangements and are renewable on mutually agreeable terms.

	2013-14(Rs.)	2012-13(Rs.)
Rent paid under this agreement	26,19,187	21,82,450

33 SEGMENT REPORTING

The Company operates in a single segment - Diagnostic Products.

34 RELATED PARTY DISCLOSURES

Related party disclosures as required by AS-18 are given below :

A. Relationship :
(i) Related parties where control exists :

- Span Nihon Kohden Diagnostics Pvt. Ltd. (Joint Venture)
- Span Diagnostics SA. (Pty.) Ltd. - (Joint Venture)
- Nihon Kohden Corporation, Japan (Holding of Joint Venture -Span Nihon Kohden Diagnostics Pvt. Ltd.)
- Reindus (Proprietary) Limited ,South Africa -(Co-venture of Joint Venture - Span Diagnostics SA. (Pty.) Ltd)

(ii) Key Management Personnel :

- Dr. Pradip K.Desai
- Mr. Veeral P. Desai
- Ms. Sujata V. Desai
- Dr. Madhukanta T. Patel*

* Dr. Madhukanta T. Patel was Director till 30-06-2013

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014
(iii) Relatives of key management personnel and their enterprise, where transactions have taken place :

Ms. Lata P. Desai	Ms. Tejal V. Desai
Ms. Shital S. Kazi	Mr. Prakash K. Desai
Shri Pradip. K. Desai HUF	Dr. Harshad R. Gandhi
Ms. Kokila H. Gandhi	Mr. Sunil T. Patel*
Ms. Bhanuben T. Patel*	Ms. Sudhaben I. Patel*

* Related till 30-06-2013

(iv) Enterprise over which persons described in (ii), (iii) above is able to exercise significant influence :

Quest Biochemicals Pvt. Ltd
 Desai Agri Bio-tech Pvt. Ltd
 Span Diagnostics SARL
 Span Biotherapeutics Pvt. Ltd.*

* Related from 28-05-2013

Note: Related party relationship on the basis of the requirements of Accounting Standard 18 as in 1 (i) to (iv) above is identified and certified by the Management and relied upon by the Auditors.

B. Transactions with related parties

Particulars	Referred In A(i) Above	Referred In A(ii) Above	Referred In A(iii) Above	Referred In A(iv) Above
Sales :				
Goods and Material				
Purchase:				
Goods and Material	38,469			1,77,200
	9,743			1,94,578
Expenses :				
Remuneration/sitting Fees		1,22,49,463		
		1,90,50,674		
Interest on F.D./Loan		2,49,739	3,95,076	2,34,312
		3,96,975	5,38,466	2,09,458
Rent paid	1,21,344		1,05,000	
	59,056		2,19,000	
Dividend Paid		9,92,624	4,06,780	
		<i>Nil</i>	<i>Nil</i>	
Garden Expense				7,20,000
				7,20,000
Selling & Marketing Expense	11,56,355			
	12,90,565			
Royalty Paid	7,20,536			12,32,220
	7,49,233			13,22,096
Income :				
License Fees	12,04,500			
	12,04,500			
Interest Income	74,501			
	33,513			
Capital Items :				
Loan & Advances received	NIL	50,00,000	4,00,000	34,00,000
	84,393	8,00,000	13,00,000	23,00,000
Loan & Advances given	1,28,126			NIL
	9,02,785			4,438
Purchase of Technology				1,14,14,250
				2,01,69,576
Purchase of Asset				NIL
				7,76,119
Balance as at 31st March, 2014				
Trade Receivables				
Loans & Advances	11,60,987			NIL
	12,30,123			21,184
Deposits	2,75,000	15,31,686	31,40,000	28,00,000
	2,75,000	38,65,000	50,88,000	23,00,000
Trade and Other Payables	4,21,975			77,27,722
	<i>NIL</i>			89,40,095

Figures of Previous Year are represented in Italic Form.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014
Disclosures in Respect of Material Related Party Transaction During the Year :

- a. Purchases/material consumed from Span Nihon-Kohden Diagnostics Pvt. Ltd. Rs.28,799 (Previous Year Rs.9,743), Span Diagnostics SARL Rs.1,77,250 (Previous Year Rs.1,77,250), Quest Biochemicals Pvt. Ltd. Rs. NIL (Previous Year Rs.17,328), Nihon Kohden Corporation, Japan Rs.9,670 (Previous year Rs.NIL).
- b. Payment to Key Management Personnel include to Dr. Pradip K. Desai Rs.41,64,600 (Previous Year 87,76,000), Mr. Veeral P. Desai Rs.42,78,800 (Previous Year Rs.44,03,800), Dr. Madhukanta T. Patel Rs.5,72,463 (Previous Year Rs.23,52,350), Ms. Sujata V. Desai Rs.32,33,600 (Previous Year Rs.35,18,524)
- c. Interest on F.D./Loan includes Dr. M. T. Patel Rs. 1,17,165 (Previous Year Rs.3,85,975), Mr. Veeral P. Desai Rs. 19,130 (Previous Year Rs.NIL), Dr. Pradip K. Desai Rs. 97,315 (Previous Year Rs.NIL), Ms. Sujata V. Desai Rs. 16,129 (Previous Year Rs.11,000), Ms. Shital S. Kazi Rs.23,000 (Previous Year Rs.23,000), Ms. Tejal V. Desai Rs. 1,17,233 (Previous Year Rs.2,84,861), Dr. Harshad R. Gandhi Rs.1,03,024 (Previous Year Rs. 78,742), Ms. Kokila H. Gandhi Rs. 1,43,202 (Previous Year Rs.1,18,921), Mr. Sunil T. Patel Rs.8,617 (Previous Year Rs.32,942), Desai Agri Bio-Tech Pvt.Ltd. Rs.2,34,312 (Previous Year Rs.2,09,458).
- d. Rent paid to Ms. Shital S. Kazi Rs.48,000 (Previous Year Rs.NIL), Ms. Bhanuben T. Patel Rs.24,000 (Previous Year Rs.87,000), Ms. Sudhaben I. Patel Rs. 33,000 (Previous Year Rs. 1,32,000), Reindus (Proprietary) Limited, South Africa Rs.1,21,344 (Previous Year Rs.59,056.)
- e. Dividend Paid to Dr. Pradip K. Desai Rs.6,53,440 (Previous Year Rs.NIL), Mr. Veeral P. Desai Rs.2,62,316 (Previous Year Rs.NIL), Dr. Madhuben T. Patel Rs.26,080 (Previous Year Rs.NIL), Ms. Sujata V. Desai Rs.50,788 (Previous Year Rs.NIL), Ms. Lataben P. Desai Rs.3,58,530 (Previous Year Rs.NIL), Ms. Shital S. Kazi Rs.19,750 (Previous Year Rs.NIL), Ms. Tejal V. Desai Rs.5,000 (Previous Year Rs.NIL), Mr. Prakash K. Desai Rs.13,500 (Previous Year Rs.NIL), Mr. Sunil T. Patel Rs.5,000 (Previous Year Rs.NIL), Ms. Sudhaben I. Patel Rs.5,000 (Previous Year Rs.NIL)
- f. Gardening Expense paid to Desai Agri Bio-Tech Pvt. Ltd. Rs.7,20,000 (Previous Year Rs.7,20,000).
- g. Sales and Distribution Expenses include amount incurred to Span Diagnostics SA. (Pty.) Ltd. Rs.11,56,355 (Previous Year Rs.12,90,565).
- h. Royalty include amount paid to Span Diagnostics SARL Rs.12,32,220 (Previous Year Rs. 13,22,096), Nihon Kohden Corporation, Japan Rs. 7,20,536 (Previous Year Rs. 7,49,233).
- i. License Fees from Span Nihon-Kohden Pvt. Ltd. Rs.12,04,500 (Previous Year Rs.12,04,500). Interest Income received from Span Diagnostics SA. (Pty.) Ltd. Rs. 74,501 (Previous Year Rs. 33,513)
- j. Loan received in the nature of fixed deposit from Dr. Pradip K. Desai Rs. 42,00,000 (Previous Year Rs. NIL), Mr. Veeral P. Desai Rs.5,00,000 (Previous Year Rs. NIL), Dr. M.T.Patel Rs. Nil (Previous Year Rs. 8,00,000), Ms. Sujata V. Desai Rs. 3,00,000 (Previous Year Rs. NIL), Ms. Tejal V. Desai Rs. Nil (Previous Year Rs.13,00,000), Dr. Harsad R. Gandhi Rs. 2,00,000 (Previous Year Rs.NIL), Ms. Kokila H. Gandhi Rs. 2,00,000 (Previous Year Rs.NIL)
- k. Loan & Advances in nature of expense reimbursement received during the year include Span Nihon-Kohden Pvt. Ltd. Rs.NIL (Previous Year Rs. 84,393), loan received from Desai Agri Bio-Tech Pvt.Ltd. Rs. 34,00,000 (Previous Year Rs. 23,00,000)
- l. Loan & Advances in nature of expense reimbursement given during the year include Span Nihon-Kohden Pvt. Ltd. Rs. 66,246 (Previous Year Rs. 69,102), Span Diagnostics SA. (Pty.) Ltd. Rs. NIL (Previous Year Rs.7,74,196), Quest Biochemicals Pvt. Ltd. Rs. NIL (Previous Year Rs. 4,438), Nihon Kohden Corporation, Japan Rs. 61,881 (Previous Year Rs.59,487).
- m. Purchase of Technology include Span Diagnostics SARL Rs. 1,14,14,250 (Previous Year Rs. 2,01,69,576).
- n. Purchase of assets include purchase from Span Diagnostics SARL Rs.NIL (Previous Year Rs.7,76,719).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014
35 FINANCIAL AND DERIVATIVE INSTRUMENTS
Derivative contracts entered into by the Company and outstanding as on March 31, 2014

- (i) For hedging interest rate related risks derivative contract in nature of forward contract is entered into by the Company and outstanding of which as on March 31, 2014 amount to Rs. Nil (Previous Year Rs. 1,09,84,334).
- (ii) Foreign currency exposures on account of trade receivables/ trade payables not hedged by derivative instruments are as follows:-

Particulars	31-03-14		31-03-13	
	Amount in Original Currency	Amount in Indian Rupees	Amount in Original Currency	Amount in Indian Rupees
Trade Receivables				
USD	1,35,662	81,14,020	1,10,273	57,76,930
EURO	756	62,753	5,663	4,00,890
GBP	--	--	4,875	4,02,351
Trade Payable				
USD	4,94,093	41,250,769	91,570	2,50,85,927
EURO	22,502	2,260,175	16,272	13,90,148
GBP	1,19,279	7,710,030	2,77,377	1,62,69,094

36 INFORMATION RELATING TO SUBSIDIARIES

(In terms of Government of India, Ministry of Corporate Affairs General Circular No: 2/2011, No: 5/12/2007-CL-III dated February 08, 2011)

Name of Subsidiary	Span Biotronics Private Limited		Span Biotherapeutics Private Limited	
	2013-14	2012-13	2013-14	2012-13
Year	2013-14	2012-13	2013-14	2012-13
Reporting Currency	INR	INR	INR	INR
Country of Incorporation	INDIA	INDIA	INDIA	INDIA
Share Capital	10,50,000	15,50,000	NIL	1,00,000
Reserves & Surplus	1,11,80,603	71,14,492	Nil	Nil
Total Assets	2,41,56,603	2,25,08,709	NIL	1,17,500
Total Liabilities	1,19,26,000	1,38,44,217	NIL	17,500
Investments	NIL	NIL	NIL	NIL
Turnover / Total Income	1,84,27,571	1,75,24,259	NIL	NIL
Profit / (Loss) before Taxation	63,95,090	61,92,075	NIL	NIL
Provisions for Taxation	20,25,000	17,73,637	NIL	NIL
Profit / (Loss) after Taxation	44,64,375	44,18,438	NIL	NIL
Proposed Dividend	NIL	NIL	NIL	NIL

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014
37 NOTES ON DISCONTINUING OPERATION

During the year, the Company has entered into an agreement for transfer of business undertaking with the Arkray Healthcare Pvt Ltd (Purchaser) on January 24, 2014. The agreement was subject to shareholders' approval along with compliance of certain conditions precedent prescribed in the agreement. One of the conditions was to obtain FIPB approval for the aforesaid transaction, which is critical event and non receipt of approval will make this agreement terminated. In light of the above information, management is of the view that although initial disclosure event in terms of Accounting Standard (AS) 24 - Discontinuing Operations has triggered, however bifurcation of assets and liabilities in to current and non current in the financial statements will be made considering its original realisation / settlement. As Mr. Veeral P. Desai, a promoter of the company will continue as Managing Director of the company and going forward, the company intends to utilize his expertise in carefully identified non-competing business areas, providing ample opportunities and handsome returns to share holder investments. In due course, the board shall also take up for consideration the potential use of the amount that would be received pursuant to the completion of the proposed transaction and finalisation of the consideration including the investment of such proceed in various new lines of business.

Particulars	2013-14	2013-14	2013-14	2012-13	2012-13	2012-13
	Continuing Operation	Dis-Continuing Operation	Total	Continuing Operation	Dis-Continuing Operation	Total
Total Revenue	2,89,46,660	78,98,98,000	81,88,44,660	3,09,37,611	79,40,37,070	82,49,74,682
Cost of materials	62,97,611	32,63,10,634	33,26,08,245	60,19,766	30,65,81,390	31,26,01,156
Employee benefit expense	77,09,831	16,94,64,751	17,71,74,582	67,30,957	15,88,55,700	16,55,86,657
Finance Cost	--	4,41,32,428	4,41,32,428	17,204	3,77,71,051	3,77,88,255
Depreciation and amortisation expense	32,77,236	4,52,00,601	4,84,77,837	32,41,123	2,79,72,545	3,12,13,668
Other expense	94,18,227	25,52,02,400	26,46,20,627	84,66,794	25,25,28,950	26,09,95,744
Total Cost	2,67,02,905	84,03,10,815	86,70,13,719	2,44,75,844	78,37,09,636	80,81,85,480
Profit Before Tax	22,43,755	(5,04,12,814)	(4,81,69,059)	64,61,767	1,03,27,434	1,67,89,202
Income tax expense	35,37,379	1,10,67,895	1,46,05,274	36,02,888	98,59,129	1,34,62,017
Profit After tax	(12,93,624)	(6,14,80,709)	(6,27,74,333)	28,58,879	4,68,305	33,27,185

Particulars	2013-14	2013-14	2013-14	2012-13	2012-13	2012-13
	Continuing Operation	Dis-Continuing Operation	Total	Continuing Operation	Dis-Continuing Operation	Total
Total Assets	6,96,80,180	82,60,86,671	89,57,66,851	6,55,83,473	82,58,13,708	89,13,97,181
Total Liabilities	4,81,09,026	62,07,75,764	66,88,84,791	3,68,09,472	56,37,43,436	60,05,52,908
Net Assets	2,15,71,154	20,53,10,906	22,68,82,060	2,87,74,000	26,20,70,273	29,08,44,273

CASH FLOW

Particulars	2013-14	2013-14	2013-14	2012-13	2012-13	2012-13
	Continuing Operation	Dis-Continuing Operation	Total	Continuing Operation	Dis-Continuing Operation	Total
Net Cash inflow/(outflow) from operating activities	23,71,561	7,97,23,187	8,20,94,748	88,85,991	7,00,11,312	7,88,97,303
Net Cash inflow/(outflow) from investing activities	-	(4,80,16,875)	(48,016,875)	36,00,000	(12,99,18,731)	(12,63,18,731)
Net Cash inflow/(outflow) from financing activities	-	(3,90,25,205)	(39,025,205)	-	4,31,09,473	4,31,09,473
Net cash inflow/(outflow) for the year attributable	23,71,561	(73,18,893)	(4,947,332)	1,24,85,991	(1,67,97,946)	(43,11,955)

38 The figures for the previous year have been regrouped / recast wherever necessary in conformity it those of current year.

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: L24299GJ1980PLC003710

Name of the company: Span Diagnostics Limited

Registered office: 173/B, New Industrial Estate, Udhna-394 210, Surat

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

2. Name:

Address:

E-mail Id:

Signature:....., or failing him

3. Name:

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual general meeting of the Company, to be held on the 08th day of August, 2014 At 10:30 a.m. at the registered office of the Company situated at 173 – B, New Industrial Estate, Road No. 6 – G, Udhna Udhyognagar, Surat – 394 210 and at any adjournment thereof in respect of such resolutions as are indicated below,

Resolution No.	Resolution	Optional*	
		For	Against
Ordinary Business :			
1.	Adoption of Financial Statements for the year ended 31st March, 2014		
2.	Re-appointment of Mr. Sanjay N. Mehta, who retires by rotation		
3.	Appointment of M/s. Haribhakti & Co. Chartered Accountants, as Statutory Auditors and fix their remuneration		
Special Business			
4.	Appointment of Mr. Kamlesh M. Patel, as an Independent Director		
5.	Appointment of Mr. N. Gopaldaswami as an Independent Director		
6.	Appointment of Mr. Shyamal Ghosh as an Independent Director		
7.	Appointment of Dr. Sushil K. Shah as an Independent Director		
8.	Special Resolution under Section 80(1)(C) of the Companies Act, 2013, for borrowing money upto Rs. 75 Crores over and above the aggregate of the paid up share capital and free reserve of the Company		
9.	Special Resolution for authorising Board of Director for mortgaging, hypothecating and/or otherwise charging properties/assets for the purpose of securing borrowing subject to the limits approved under section 180(1)(c) of the companies Act, 2013		
10.	Approval of the Remuneration of the Cost Auditors		
11.	Approval of the inviting, accepting or renewing deposits in accordance with applicable provisions of the Companies Act, 2013		

Signed this..... day of..... 20....

Signature of shareholder

Affix
Rs.1 Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Proxy need NOT be a member of the company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. This form of proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the Meeting.
- *6. It is optional to put a "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

GREEN INITIATIVE

May 23, 2014

Dear Shareholders,

We wish to inform you that in order to save trees and environment by reducing the consumption of paper, the Ministry of Corporate Affairs, New Delhi (MCA) has taken "Green Initiative" in the Corporate Governance by permitting paperless compliances by Companies vide its Circular No.17/2011 dated 21.04.2011 and Circular No.18/2011 dated 29.04.2011 and clarified that the service of documents by a Company can be made through electronic mode instead of physical copy of document(s). Henceforth, we propose to send all communications / documents including notices calling AGM, Audited financial statements, Director's Report, Auditors Report **in electronic form to the E-mail ID provided / updated by you and made available to us by the Depositories.**

In order to join the initiative and to receive the documents in electronic form, kindly comply with the following:

For shareholders holding shares in demat form

In case you desire to receive the aforesaid documents in electronic mode, kindly update your E-mail ID in the Demat account by contacting your Depository Participant. Your e-mail ID as available with your depository would be used to send documents through electronic mode.

For shareholders holding shares in physical form

In case you desire to receive the aforesaid documents in electronic mode in lieu of physical mode, kindly register/update your e-mail ID with our Registrar and Share Transfer Agent, Link Intime India Private Limited. You can register/update your e-mail ID by mailing **your E-mail ID with the following details to spangogreen@linkintime.co.in or secretarial@span.co.in along with a scan copy of letter duly signed by you. The signature mentioned in your letter should match with the specimen signature registered with the Company.**

Folio No.: _____ Name: _____ E-mail ID: _____ Mode of dispatch: Electronic mode

Alternatively you may also register your Email ID by browsing our website www.span.co.in where link **Go Green: www.linkintime.co.in/gogreen.asp** has been provided to facilitate investor to update their Email ID to receive documents in electronics mode.

You may also send your consent in writing to our Registrar and Share Transfer Agent to the following address:

Link Intime India Private Ltd., Unit: Span Diagnostics Limited, C_13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078.

Please note that, as a member of the Company, you will be entitled to be furnished, free of cost, with a printed copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto including the Profit and Loss Account and Auditor's report and all other communication that may be sent to you, upon receipt of a requisition from you to this effect.

We are sure that you would appreciate and support in full measure the "Green Initiative" taken by MCA and your Company's desire to participate in such initiatives.

Yours truly,
For Span Diagnostics Limited

Pankaj Ajmera
Company Secretary

Date: _____ **-----Tear Here-----**

Link Intime india Private Limited
C – 13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W),
Mumbai – 400 078

Unit: Span Diagnostics Limited

Name of Shareholder: _____

No. of Shares of Rs. 10 each in Span Diagnostics Limited: _____

(DP ID: _____) (Client ID _____)

Folio No.: _____

My Email ID is _____

Kindly register the aforesaid e-mail ID for receipt of documents by me in electronics mode.

Thanking you,

Yours faithfully,

(Signature)

FINANCIAL HIGHLIGHTS

Rs. in Lacs

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
OPERATING RESULTS										
Total Revenue	7,966.79	8,002.59	5,970.20	8,509.78	8,187.28	6,956.14	6,489.78	5,551.78	4,741.45	4,187.60
Earning before Depreciation, Interest & Tax	495.44	856.04	805.88	1,023.63	1,301.43	782.82	929.01	630.31	545.48	433.23
Depreciation	476.73	303.85	270.63	233.44	208.60	182.07	144.66	110.80	110.10	83.44
Earning before Interest & Tax	18.71	552.19	535.25	790.19	1,092.83	600.75	784.35	519.51	435.38	349.79
Interest	441.32	377.71	288.11	327.98	311.28	368.34	281.39	173.81	174.59	129.98
Earning before Tax	(422.61)	174.48	247.14	462.21	781.55	232.41	502.96	345.70	260.79	219.81
Tax *	91.37	80.85	124.72	209.51	242.60	110.23	203.30	131.32	93.87	71.28
Profit/(Loss) after tax	(513.98)	93.62	122.42	252.70	538.95	122.18	299.66	214.38	166.92	148.53
Dividend & Dividend Distribution tax	0.00	42.28	0.00	84.56	101.57	0.00	73.71	63.18	0.00	51.31

SOURCES AND APPLICATION OF FUNDS

Share Capital	727.60	727.60	727.60	727.60	347.28	330.75	315.00	300.01	300.01	300.01
Reserves and surplus	1,646.24	2,160.22	2,108.88	1,986.46	1,944.09	1,440.67	1,256.25	1,023.86	878.80	712.76
Loans	2,798.41	3,275.84	2,526.43	1,679.65	2,271.59	3,022.83	2,510.65	1,759.28	1,373.13	1,309.41
Other Liabilities	3,846.04	2,697.92	2,209.95	2,003.78	2,039.87	1,483.81	1,523.57	1,681.66	1,203.57	1,020.28
EQUITY & LIABILITIES	9,018.28	8,861.58	7,572.86	6,397.49	6,602.83	6,278.07	5,605.47	4,764.81	3,755.51	3,342.46

Fixed Assets (Net)	4,696.93	4,578.38	3,560.35	2,671.52	2,299.33	2,014.47	1,870.99	1,535.12	1,222.77	1,189.93
Investments	64.05	70.05	70.05	70.02	69.02	93.77	50.83	35.81	5.55	0.27
Other Assets	4,257.30	4,213.15	3,942.46	3,655.95	4,234.48	4,169.82	3,683.65	3,193.88	2,527.19	2,152.26
TOTAL ASSETS	9,018.28	8,861.58	7,572.86	6,397.49	6,602.83	6,278.07	5,605.47	4,764.81	3,755.51	3,342.46

AMOUNT ON FACE VALUE OF Rs.10/-

Earnings Per Share	(7.06)	1.29	1.68	6.36	15.89	3.40	9.75	6.95	5.56	4.95
Dividend	0.00	0.50	-	1.00	2.50	-	2.00	1.80	-	1.50
Book Value	33	40	39	37	66	54	50	44	39	34

* Includes Deferred Tax

To,

Book-Post
Printed Matter



Span Diagnostics Ltd.



CORPORATE OFFICE

173-B, New Industrial Estate, Road No. 6-G,
Udhna, Surat - 394 210. INDIA.
Phone: +91 261 22 77 211, Fax: +91 261 22 79 319
E-mail: span@spanddiag.com, Web: www.span.in



my trusted partner IN DIAGNOSIS™

PLANT

Plot No. 336, 338, 340, Road No. 3, G.I.D.C.,
Sachin - 394 230 (Surat). INDIA.
Phone: +91 261 23 97 712/13/14/15, Fax: +91 261 23 97 719



ISO 9001:2008 | ISO 13485:2003 | GMP

Span Diagnostics Ltd., Sachin
ISO 9001:2008 and 13485:2003
File Number: 41972




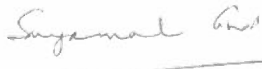
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CIN-L24299GJ1980PLC003710

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the Company	Span Diagnostics Limited
2	Annual financial statements for the year ended	31 st March, 2014
3	Type of Audit observation	Un Qualified
4	Frequency of observation	Since beginning of Financial Year
5	To be signed by- Veeral P Desai Managing Director Paras Desai VPCFS Prashant Mahrishi Haribhakti & Co. Auditor of the Company Shyamal Ghosh Audit Committee Chairman	   

Date:

