



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	Mr. N.Gopalaswami Mr. Veeral P.Desai Dr. Pradip K. Desai Dr. Madhukanta T. Patel Ms. Lata P. Desai Dr. Sushil K. Shah Mr. Shyamal Ghosh Mr. Kamlesh Patel Dr. Pranav S. Desai Mr. Sanjay N. Mehta Mr.S.Sundaresan	Chairman Managing Director Whole-time Director Technical Director Director Director Director Director Director Director
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COMPANY SECRETARY Mitesh G. Rana

BANKERS	State Bank of India Ind. Finance Branch Marble Arch, Race Course Circle, BARODA – 390 007	IDBI Bank 2nd floor, Ess En House, Ghod Dod Road. Opp. Kotak House, SURAT SURAT – 395 007
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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 33rd 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 Saturday, July 27, 2013 at 10:30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declared dividend.
3. To appoint a director in place of Dr. Sushil K. Shah who retires by rotation and being eligible, offer himself for reappointment.
4. To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution

“RESOLVED THAT Mr. S. Sundaresan, a Director liable to retire by rotation who does not seek re-election, be not re-appointed a director of the Company.

RESOLVED FURTHER THAT the vacancy, so created on the Board of Directors of the Company be not filled.”

5. To appoint a director in place of Mr. Shyamal Ghosh who retires by rotation and being eligible, offer himself for reappointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors M/s Haribhakti & Co, Chartered Accountants are eligible for reappointment.

SPECIAL BUSINESS

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

“RESOLVED THAT

- A. Pursuant to the provisions of Sections 198, 269, 309, 310, 314 and all other applicable provisions, if any, of the Companies Act, 1956, (Act) read with Schedule XIII to the Companies Act, 1956 as amended from time to time and/or any enactment thereof and subject to the approval of the Central Government and such other approvals as may be required, the Company hereby accords its consent to the reappointment of Mr. Veeral P Desai, as Managing Director of the Company, for a further period of 3 years w.e.f July 01, 2013 on the under mentioned terms of Remuneration
 - a) **Salary:** Rs. 4,50,000 per month in the scale of Rs. 4,50,000-50,000-10,00,000, with such increments at such time, as may be decided by the Board of Directors.
 - b) **Commission:** upto 2% per annum of the operating net profits after tax of the Company from the financial year 2013 – 14. Such Commission will be excluding extraordinary / exceptional profits or losses arising from sale of business / assets. Sale of shares in subsidiary & Associates Companies / Special Purpose Vehicles / Joint Venture and also from sale of strategic investments / adjustments in valuation of strategic

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investments.

c) Allowances & Perquisites: Allowances and perquisites shall comprise of:

- i. House Rent Allowance at 10% of salary
- ii. Medical allowance / reimbursement for self and family with a ceiling of Rs.15,000 in a year.
- iii. Leave travel allowance / reimbursement for self and family once in a year in accordance with the rules of the company shall not exceed 50% of monthly Salary.
- iv. Personal accident insurance in accordance with the rules of the company.
- v. Reimbursement of club fees subject to a maximum of two clubs. This will not include admission and life membership fees.
- vi. Company's contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- vii. Gratuity as per the rules of the company but shall not exceed half a month's Salary for each completed year of service.
- viii. Car with driver for use on company's business, cell phone and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the company.
- ix. Earned Leave of one month for every eleven months of service on full pay and allowance as per the rules of the company. Leave accumulated but not availed of, can be encashed as per the rules of the company.
- x. Reimbursement of entertainment, travelling and other expenses incurred in the course of legitimate business of the company.

B. In the event of loss or inadequacy of profits, Mr. Veeral P Desai shall be entitled to above stated remuneration subject to the approval of the Central Government. In the event of non-approval / pending approval of remuneration by the Central Government, Mr. Veeral P. Desai shall be entitled to remuneration as under:

- i. At the slab stipulated in Table B of Section II of Part II of Schedule XIII to the Companies Act, 1956; together with
- ii. Company's contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- iii. Gratuity as per the rules of the company but shall not exceed half a month's Salary for each completed year of service; and
- iv. Earned Leave of one month for every eleven months of service on full pay and allowance as per the rules of the company. Leave accumulated but not availed of, can be encashed as per the rules of the company.

The Board of Directors be and are hereby authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution and alter, vary any of the terms and conditions relating to remuneration payable to Mr. Veeral P. Desai within the overall remuneration package approved."

For and on behalf of the Board of Directors

Date: May 15, 2013
Place: Surat

Mitesh Rana
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 18, 2013 to July 27, 2013 (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
- (d) Dividend as recommended by the Directors for the year ended on March 31, 2013, if approved, will be payable to those shareholder whose names appears in the Register of Members as at the Close of business on July 27, 2013 and the dividend warrants will be posted to them after the date of AGM.
- (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.

NOTICE

For supporting this initiative, if you hold shares in:

- (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.

EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 173 OF THE COMPANIES ACT 1956.

RESOLUTION AT ITEM NO : 7

The term of appointment of Mr. Veeral P Desai as Managing Director is valid upto June 30, 2013. The Board of Directors at its meeting held on May 15, 2013 has accepted the recommendations of the Remuneration Committee and has approved the reappointment of Mr. Veeral P Desai as the Managing Director of the Company on revised remuneration for a further period of 3 years with effect from July 01, 2013.

The proposed remuneration of Mr. Veeral P Desai shall be governed under Table C of Section II of Part II of Schedule XIII to the Companies Act, 1956 requiring consent of the shareholders by Special Resolution for determination of remuneration for a period of 3 years and the approval of the Central Government. A statement containing the information stipulated in Schedule XIII to the Companies Act, 1956 is given in subsequent pages.

Disclosure of Interest

Mr. Veeral P. Desai is interested in approval of the proposed resolution being the beneficiary. Dr. Pradip K Desai (Whole Time Director) father of Mr. Veeral P Desai and Mrs. Lataben P. Desai (Director), mother of Mr. Veeral P Desai is deemed to be interested in proposed resolution.

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract of the terms reappointment of Mr. Veeral P Desai, as the Managing Director of the Company and Memorandum of Interest of Directors u/s. 302 of the Companies Act, 1956.

The Board recommends the approval of the Special Resolution seeking your consent.

None of the Directors of Company except Dr. Pradip K Desai, Mrs. Lataben P Desai and Mr. Veeral P Desai are anyway concerned or interested in the said resolution.

STATEMENT GIVING THE INFORMATION IN ACCORDANCE WITH SCHEDULE XIII TO THE COMPANIES ACT, 1956 FOR DETERMINATION OF REMUNERATION PAYABLE TO MR. VEERAL P. DESAI, MANAGING DIRECTOR.

NOTICE

MR. VEERAL P. DESAI

Mr. Veeral P Desai (age 44) has done his Bachelors in Pharmacy from Manipal University, Manglore. He is associated with the Company since 1991. He took over as Executive Director in 1999 responsible for sales & distribution and overall administrative functions. He restructured the marketing and distribution operations and has created infrastructure for sustained growth oriented business development. He was designated as Managing Director in 2003 responsible for overall management of the Company.

He is member of Remuneration Committee, Managing Committee & HR Committee of the Board of the Company. His other directorship is given below:

- 1) Span Biotherapeutics Private Limited
- 2) Quest Biochemicals Private Limited
- 3) Span Biotronics Private Limited
- 4) Span Nihon Kohden Diagnostics Private Limited
- 5) Span Diagnostics South Africa (Pty) Limited

GENERAL INFORMATION :

Sr. No.	Information Sought	Information																								
1.	Nature of Industry	The Company is engaged in manufacturing and trading of diagnostic kits and instruments and is a part of Healthcare Industry.																								
2.	Date of Commencement of Commercial Production	The Company has started its operations from 31 st March 1980.																								
3.	Financial performance of the Company.	Rs. in Lacs																								
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">2012 - 13</th> <th style="text-align: center;">2011 - 12</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td style="text-align: right;">7,896.02</td> <td style="text-align: right;">5,868.08</td> </tr> <tr> <td>Profit/(Loss) before Tax</td> <td style="text-align: right;">174.48</td> <td style="text-align: right;">247.14</td> </tr> <tr> <td>Profit/(Loss) After Tax</td> <td style="text-align: right;">93.62</td> <td style="text-align: right;">122.42</td> </tr> <tr> <td>Paid-up Equity share Capital</td> <td style="text-align: right;">727.60</td> <td style="text-align: right;">727.60</td> </tr> <tr> <td>Reserves & Surplus</td> <td style="text-align: right;">2,160.21</td> <td style="text-align: right;">2,108.88</td> </tr> <tr> <td>Earning per Share (Rs.)</td> <td style="text-align: right;">1.29</td> <td style="text-align: right;">1.68</td> </tr> <tr> <td>Book value per share (Rs.)</td> <td style="text-align: right;">1.29</td> <td style="text-align: right;">1.68</td> </tr> </tbody> </table>	Particulars	2012 - 13	2011 - 12	Revenue from Operations	7,896.02	5,868.08	Profit/(Loss) before Tax	174.48	247.14	Profit/(Loss) After Tax	93.62	122.42	Paid-up Equity share Capital	727.60	727.60	Reserves & Surplus	2,160.21	2,108.88	Earning per Share (Rs.)	1.29	1.68	Book value per share (Rs.)	1.29	1.68
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4.	Export performance and net foreign exchange collaboration	The Company's export on FOB basis was Rs.898.24 lacs for 2012-13 and Rs.800.28 lacs for 2011-12.																								
5.	Foreign investments or collaborations	<p>The Company has investment in the following overseas JV companies.</p> <p>a. Span Diagnostics South Africa (PTY) Ltd</p> <p>The Company has foreign collaborations as per following details:</p> <ol style="list-style-type: none"> 1. Center of disease control and prevention (CDC), USA 2. Institute Pasteur, France 3. Span Diagnostics S.A.R.L. 4. EY Laboratories Inc 																								

NOTICE

INFORMATION ABOUT THE APPOINTEE:

1.	The background details	The background details of Mr. Veeral P. Desai are given elsewhere in the notice.
2.	Past Remuneration	Mr. Veeral P Desai was drawing Rs. 44,03,800 p.a. including Company's contribution to provident, Gratuity and superannuation fund. He was also entitled for 1 month's leave for every 11 months of service.
3.	Recognition or awards	Nil
4.	Job profile and his suitability	Mr. Veeral P Desai, Managing Director provides leadership and strategic guidance to the Company in addition to supervising functional-heads of sales & marketing, finance & accounts, costing, legal & regulatory compliance, logistics, product sourcing – Management & Promotion, Projects, Corporate Communications, operations of JV etc. Given the profile of Mr. Veeral P. Desai, it is imperative that he draws the proposed remuneration.
5.	Remuneration proposed	As per details given in the resolution read with explanatory statement for Items No.7
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in Health-care Companies of comparable size and has been considered by the Remuneration Committee and the Board of Directors of the Company in their respective meetings held on May 14, 2013 and May 15, 2013.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr. Veeral P Desai is son of Dr. Pradip k Desai, Whole Time Director. There is no other pecuniary relationship directly or indirectly with the Company except to the extent of their remuneration and shareholding in the Company. This information is already disclosed elsewhere in the notice.

OTHER INFORMATION :

1.	Reasons of inadequate profits	<ul style="list-style-type: none"> ● High inventory carrying cost. ● High labor cost due to limitation in automation of manufacturing operation. ● Highly competitive market and aggressive pricing by domestic and international Companies. ● Expenditure on Expansion & Upgradation of Manufacturing facilities at plant located at Sachin to comply with FDA requirement
2.	Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> ● Reduction in cost of production due to indigenous R&D efforts ● Focusing on automization of manufacturing processes wherever possible.
3.	Expected increase in productivity and profits in measurable terms	Expecting Year-on-Year 20% profit growth with the above measures.

Disclosures:

The break-up of remuneration package is mentioned in the Corporate Governance Report.

NOTICE

II. DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE

DETAILS OF DIRECTORS BEING REAPPOINTED		
Name of Director	Mr. Shyamal Ghosh	Dr. Sushil Shah
Age	71	66
Qualification	Master Degree in Economics, M.P.A Programme of Woodrow Wilson School, Retired IAS Officer	MD Pathology
Expertise in specific functional area	He has vast experience in Administration & Business Management.	He has rich experience in the field of consulting Pathology & Clinical Laboratory.
List of Companies in which outside Directorship held	Burn Standard Co Ltd. Spentix Industries Ltd. National Multi Commodity Exchange of India Ltd.	<ul style="list-style-type: none"> - Sudharma Metropolis Health Services Pvt. Ltd. - Industrial Bhavan (Worli) Ltd. - Metropolis Healthcare Limited - Golwkar Metropolis Health Services (India) Pvt. Ltd. - KRD Real Estate Pvt. Ltd. - Final Diagnosis Pvt. Ltd. - Sanket Metropolis Health Services (India) Pvt. Ltd. - Metropolis Helathcare (Jodhpur) Pvt. Ltd. - Mulay Metropolis Health Care Pvt. Ltd. - Micron Metropolis Healthcare Pvt. Ltd. - Metropolis Healthcare (Chandigarh) Pvt. Ltd. - Metropolis Wellness Products Pvt. Ltd. - Ekopath Metropolis Lab Services Pvt. Ltd. - Metropolis health Product Retail Pvt Ltd
Member of Committee of the Board of Director of the Company	<ul style="list-style-type: none"> - Audit Committee - Remuneration Committee - Managing Committee 	NIL
Chairman of Committee of the Board of Director in other Company	Audit Committee	NIL

For the details of Mr. Veeral P Desai, Managing Director, please refer Explanatory in respect of Special Business statement at Item No. 7 of Notice of Meeting.

Date : May 15, 2013
Place : Surat

For and on behalf of the Board of Directors

Registered Office:
173- B, New Industrial Estate
Road No. 6G, Udhna
Surat – 394 210

Mitesh Rana
Company secretary

DIRECTORS' REPORT

**To,
The Shareholders,**

Your Directors have pleasure in presenting the 33rd Annual Report of the Company together with the Audited Accounts for the year ended on March 31, 2013.

FINANCIAL RESULTS

The financial performance of the Company for the financial year ended March 31, 2013 along with figures of previous financial year is summarized below :

Particulars	Amount (Rs. In Lacs)	
	2012-13	2011-12
Total Income	8,002.59	5,970.20
Profit before tax, Depreciation and interest (Excluding extraordinary income and Foreign exchange Gain/(Loss))	859.98	513.58
Interest	(377.71)	(288.11)
Foreign exchange Gain/(Loss)	(3.94)	1.58
Profit before Depreciation	478.33	227.05
Depreciation	(303.85)	(270.63)
Profit before tax	174.48	(43.58)
Exceptional item	0.00	290.72
Tax adjustment of earlier year	0.85	0.00
Provision of tax – Current	(28.00)	(49.45)
– MAT Credit Entitlement/(Utilisation)	25.90	49.45
– Deferred Tax (Liabilities)/Asset	(79.60)	(124.72)
Profit for the year	93.62	122.42
Balance brought forward	1,231.13	1,120.92
Amount available for appropriation	1,324.75	1,243.34
APPROPRIATIONS		
Proposed Dividend	36.38	Nil
Dividend Distribution tax	5.90	Nil
Dividend for earlier year (including distribution tax)	Nil	Nil
Transfer to General Reserve	Nil	12.2
Balance carried forward	1,282.47	1,231.14

DIRECTORS' REPORT

DIVIDEND

Your directors have pleasure in recommending Re.0.50 per share (previous years Nil per share) as dividend for the financial year ended on March 31, 2013 aggregating to Rs. 42.28 Lacs including the dividend distribution tax.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure, Development & outlook

As per industry experts the Diagnostics Market in India is witnessing around 13 to 15% growth. Further looking at segment-wise growth Infectious disease and life style related diseases diagnosis are still the growth driver. Also Molecular diagnostics and Tissue diagnostics segment is growing at an impressive rate. Span is one of the leading players in Diagnostics Industry in India, operating mainly in infectious diseases and Clinical Chemistry segment.

The growth can be attributed to the factors such as increasing scope and awareness about diagnostics, improved diagnostics tools, etc.

Further High prevalence of life style related diseases such as Diabetes, Cancer, Cardiac disease and incidences of communicable and infectious diseases like HIV/AIDS, Malaria, Typhoid are still cause of concern. Thus, the scope of growth for the Indian diagnostic sector is still bright. The future prospect of Diagnostics Industry looks promising and Span being one of the leaders in this segment bound to benefit from it.

Operations' review

During FY 2012-13 revenue from operations for the year increased to Rs. 7,896 Lacs (Rs. 5,868 lacs in 2011-12) showing a growth of around 35% over previous year. During the year, Company has executed government order aggregating to around Rs. 2,200 lacs under domestic Government programs to fight AIDS.

During FY 2012-13 as planned, Company has made significant investments in building the world class facilities capable of complying with the international standards of quality. The project is near completion with validation of important area continuing before commencing the commercial production. This will give newer opportunities to your Company in participating in global tenders and securing higher volume of growth in coming years. In addition it will also improve overall capacity, efficiency and process control during production.

During last 4 years Company has made major investments in Research & Development activity. In the coming year many new products shall be launched including instrument developed in house and novel and state-of-the art HIV and TB test.

Opportunities, Threats, Challenges, Risks & Concerns

As a strategic decision, Span is aggressively exploring in selected high growth markets, worldwide and even the product development is aligned with the potential of such segment representing high growth prospects. Now with the new facility, there is a possibility of participating in larger international tenders. However facility is yet to be offered for inspection before your company starts accruing the benefits. Ever increasing competition from international as well domestic players are continuing is constant factor. This poses threat as well as opportunities in terms of opening up of avenues for market expansion. Further, there exists a tremendous growth opportunity for the market players in tier II and III cities, wherein the educated middle class population is becoming more sophisticated with respect to preventive healthcare check-ups. Span has very strong foothold in such cities. The biggest challenge for any manufacturing company is to negate the inflationary factors which have adverse effect on costs increase in price of utilities such as power and fuel, higher labor costs of Technical staff and senior officials etc poses constant challenges. At the same time, there has been constant pressure on prices due to intense competition. All these factors put have serious bearing on the profitability of the Company. This compels us to constantly improve productivity in our operations by using information technology as a management tool and invest in innovative solution and adopting lean manufacturing systems To fund expansion and innovative modernization of plant we have taken external borrowing, which has resulted in increased cost of financial charges in coming year. However, we are very positive about the returns on such investments coming in as per the plans. Company has very talented human resource which form a major strength to overcome these eventualities with commitment and innovative approach.

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, totaling 523 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.

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

PARTICULARS OF EMPLOYEES

The particulars about the employees drawing remuneration in excess of limits specified in Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are as per Annexure 'A'.

SUBSIDIARIES AND JOINT VENTURES

Span Biotronics Private Limited (SBPL)

Span Biotronics Pvt Ltd (SBPL) is a 95.34% 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. Product developed by SBPL will be commercialised during the current year.

SBPL has closed its books of accounts as at March 31, 2013 with a Profit After Tax (PAT) of Rs. 44.18 Lacs.

Span Biotherapeutics Pvt Ltd

Span Biotherapeutics Pvt. Ltd. Is currently at formative stage and no major activity was carried during the year.

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.

DIRECTORS' REPORT

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, 2013 and of the profit 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 'B'

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

The particulars are as per Annexure 'C'

DIRECTORS' REPORT

DIRECTORS

Dr. Sushil K Shah & Mr. Shyamal Ghosh, Directors of the Company who retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Mr. S. Sundaresan, Director of the Company who retires by rotation at the Annual General Meeting and eligible to offer himself for reappointment but has not sought for reappointment.

Mrs. Lataben P Desai stepped down from Directorship with effect from May 15, 2013.

The Board places on record their appreciation of the valuable services rendered by Mr. S. Sundaresan during his tenure on the Board.

Changes during the year

1. Dr. Ramnik H Parekh & Dr. Sarvajna G Kazi retired as Director of the Company with effect from August 08, 2012.
2. Mr. N. Gopalaswami was appointed as Director of the Company with effect from August 08, 2012.
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.

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.

COST AUDITORS

The Board has appointed M/s. Y R Doshi & Associates, Cost Accountant to carry out cost audit for the financial year 2013 – 14 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 to Ministry of Corporate affairs on 18/12/2012 for the year 2011 – 12. The Company had appointed M/s. Y. R. Doshi & Associates, Cost Accountants to conduct cost audit for the year 2012 – 13.

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 15, 2013

Veeral P Desai **Dr. Pradip K Desai**
Managing Director **Executive Director**

DIRECTORS' REPORT

ANNEXURE 'A'
PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956

Name	Designation & Nature of Duties	Remuneration Received Rs.	Qualification & Experience (in yrs.)	Date of Employment	Age Years	Previous Employment Held
Employed throughout the period ended 31-03-2013 and in receipt of remuneration aggregating to Rs. 60,00,000/-						
Dr. Pradeep K. Desai	Whole Time Director	87,76,600	Md (Path)	Founder Director	73	None

Notes:

- The above appointments are contractual.
- Remuneration received includes salary, commission, allowance, medical expenses; leave travel assistance, taxable value of perquisites etc. and Company's contribution to Provident fund, Group gratuity and Superannuation funds.
- The above remuneration includes arrears of remuneration of Rs. 19,45,400/- for the year 2011 – 12 which is paid during year subsequent to approval of Central Government effective from December 18, 2012.

ANNEXURE 'B'
PARTICULARS PERTAINING TO CONSERVATION OF ENERGY

No.	Particulars	2012-13	2011-12
1.	Power and fuel consumption		
A.	Electricity		
a)	Purchased		
	Unit (in Kwh)	2,757,424	1,983,090
	Total amount (Rs.)	19,318,926	12,186,971
	Rate/unit (Rs.)	7.01	6.15
b)	Own generation		
(i)	Through diesel generator		
	Unit (in Kwh)	12,696	27,964
	Unit per liter of diesel Oil	2.97	2.95
	Cost/Unit (in Rs.)	17.97	15.68
(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)	18,400	17,400
	Total Amount (Rs.)	866,992	778,272
	Average Rate (Rs./K. Liter)	47.12	44.72
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 'C'

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:

- Improvement of existing Flow Through and ELISA tests for HCV
- Development of HIV Blink test
- Development of 4th Generation HIV ELISA Test kit
- Improvement of HBsAg ELISA Test
- Malaria test development for Pf and Pv in RDT
- Development of Lateral flow test for confirmation of Tuberculosis
- Development of PCR based TB diagnostic assay
- Pilot scale production of recombinant antigens for Treponema, Leishmania and filarial
- 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	2012 – 13 (Rs.)	2011 – 12 (Rs.)
1	Capital	832,102	1,285,951
2	Recurring	16,009,970	13,059,944
3	Total	16,842,019	14,345,895
4	Total R & D expenditure as percentage of total Turnover	2.13%	2.44%
5	Total R & D expenditure as percentage of total expenses	2.15%	2.38%

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

5. FOREIGN EXCHANGE EARNING AND OUTGO

	Rs.
1. Total Foreign Exchange Earned	8,98,24,398 (8,00,27,752)
2. Total Foreign Exchange Outgo	16,69,06,841 (17,02,05,873)

For and on behalf of the Board

Place: Surat
Dated: May 15, 2013

Veeral P Desai
Managing Director

Dr. Pradip K Desai
Executive 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, 2013, 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 Maharishi
Membership No.:41452
Place: Ahmedabad
Date: May 15, 2013

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 2012-13 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 2013 .

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. Gopalaswami	4	Yes	1	2	4	Independent Non-Executive
Ms. Lataben P. Desai	4	Yes	1	1	1	Promoter Non-Executive
Dr. Pradip K. Desai	4	Yes	7	Nil	1	Promoter & Executive
Mr. Veeral P. Desai	4	Yes	4	1	3	Promoter & Executive
Dr. (Ms.) Madhukanta T. Patel	4	Yes	1	Nil	Nil	Executive
Mr. Sanjay N. Mehta	4	Yes	5	Nil	3	Independent Non-Executive
Dr. Pranav S. Desai	4	Yes	1	Nil	1	Promoter & Non-Executive
Mr. Sarvajna G. Kazi*	Nil	No	Nil	Nil	Nil	Promoter & Non-Executive
Dr. Sushil K. Shah	2	No	13	5	6	Independent Non-Executive
Mr. Shyamal Ghosh	4	Yes	3	1	8	Independent Non-Executive
Mr. S. Sundaresan	3	No	Nil	Nil	3	Independent Non-Executive
Mr. Kamlesh M Patel	2	Yes	1	Nil	Nil	Independent Non-Executive
Dr. Ramnik H. Parekh*	0	Yes	2	1	2	Independent Non-Executive

*Dr. Ramnik H Parekh and Mr. Sarvajna Kazi were retired at the last Annual General Meeting held on August 08, 2012.

Note: 1. This excludes directorship in overseas companies.

Details of Board meeting

Date	Board Strength	No. of Directors present
May 26, 2012	12	10
August 08, 2012	11	9
November 3, 2012	11	10
February 08, 2013	11	10

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Audit Committee was reconstituted on August 08, 2012. The Committee comprises of four Independent Directors, namely Mr. Shyamal Ghosh, Chairman, Mr. N. Gopaldaswami, Mr. S. Sundaresan and Mr. Sanjay N. Mehta. During the year, Mr. N. Gopaldaswami being Independent Director was inducted as member of the Audit Committee. Mr. Mitesh Rana, 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	2
Mr. Sanjay N. Mehta	4	4
Mr. S. Sundaresan	4	3
Dr. Ramnik H. Parekh*	4	1

Dr. Ramnik H Parekh was retired at last Annual General Meeting of the Company held on August 08, 2012. 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.
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.

CORPORATE GOVERNANCE REPORT

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 August 08, 2012. The Remuneration Committee comprises of four directors of which three directors are independent & Non Executive Director.

There were two 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	2	1	Independent Non-Executive Director
Mr. S. Sundaresan	2	2	Independent Non-Executive Director
Mr. Shyamal Ghosh	2	2	Independent & Non-Executive Director
Mr. Veeral Desai	2	2	Managing Director
*Dr. Ramnik H. Parekh	2	1	Independent & Non-Executive Director

*Dr. Ramnik H Parekh was retired at last Annual General Meeting of the Company held on August 08, 2012.

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 2012-13

Name of the Director	Sitting Fee	Salary, Allowance & Perquisites	Contribution to Provident Fund and other funds	Commission	Total
Dr. P. K. Desai		74,80,000	12,96,000	Nil	**87,76,000
Mr. V. P. Desai		34,68,800	9,35,000	Nil	44,03,800
Dr. M. T. Patel		18,84,850	4,67,500	Nil	23,52,350
Mrs. L. P. Desai	20,000	Nil	Nil	Nil	20,000
Mr. Sanjay N. Mehta	40,000	Nil	Nil	Nil	40,000
Dr. P. S. Desai	20,000	Nil	Nil	Nil	20,000
Mr. S. G. Kazi*	Nil	Nil	Nil	Nil	Nil
Dr. S. K. Shah	10,000	Nil	Nil	Nil	10,000
Dr. Ramnik H. Parekh*	5,000	Nil	Nil	Nil	5,000
Mr. Shyamal Ghosh	40,000	Nil	Nil	Nil	40,000
Mr. S. Sundaresan	30,000	Nil	Nil	Nil	30,000
Mr. Kamlesh Patel	10,000	Nil	Nil	Nil	10,000
Mr. N. Gopaldaswami	30,000	Nil	Nil	Nil	30,000

*Dr. Ramnik H Parekh and Dr. Sarvajna Kazi were retired at the last Annual General Meeting held on August, 08 2012.

CORPORATE GOVERNANCE REPORT

** The above remuneration includes remuneration of Rs. 19,45,400/- for the year 2011 – 12 which is paid during years subsequent to approval of Central Government.

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. 3,41,665 (plus applicable service-tax) towards professional fees.

SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE

Investors Grievance Committee comprises of three non-executive directors namely Ms. Lataben P. Desai (Chairperson), Dr. Pranav S. Desai and Mr. Sanjay N. Mehta; and Dr. Pradip K. Desai, Whole-Time director.

Mr. Mitesh Rana, Company Secretary is the Compliance Officer.

There were 6 complaints received from shareholders / investors during the year 2012-13 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. S. Sundaresan and one executive directors namely Mr. Veeral Desai, Managing Director of the Company.

There were four 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	4	4	Independent Non Executive Director
Mr. S. Sundaresan	4	3	Independent Non Executive Director
Mr. Veeral Desai	4	4	Managing Director

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 Desai, Chairman, Mr. N. Gopaldaswami, Independent Director, Mr. Sanjay Mehta, Independent Director, Mr. Shyamal Ghosh, Independent Director, Mr. Paras Desai, VPCFS and Ms. Sujata 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 Desai	1	1	Managing Director
Mr. Shyamal Ghosh	1	1	Independent Non-Executive Director
Mr. Sanjay Mehta	1	1	Independent Non-Executive Director
Mr. Paras Desai	1	1	VPCFS
Ms. Sujata Desai	1	1	Chief Operating Officer

GENERAL BODY MEETING

- l) 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
2011-12	Plot No. 173-B, New Industrial Estate Road No. 6G, Udhna, Surat 394 210.	August 8, 2012	10:30 p.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 Desai – Chief Operating Officer of the Company
2010-11	Plot No. 173-B, New Industrial Estate Road No. 6G, Udhna, Surat 394 210.	August 6, 2011	2:30 a.m.	There were no resolution passed.
2009-10	Plot No. 173-B, New Industrial Estate Road No. 6G, Udhna, Surat 394 210.	July 17, 2010	11:00 a.m.	Authorised Capital of the Company increased from 5 Crore to 15 Crore.

There was no special resolution last year passed through postal ballot. There is no resolution proposed to be passed through postal ballot.

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 2012-13, 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 2012-13.

Veeral Desai
Managing Director

CORPORATE GOVERNANCE REPORT

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	Saturday, July 27, 2013 at 10:30 a.m
Venue	Plot NO. 173 – B, New Industrial Estate, Road No. 6G, Udhna, Surat 394 210

(b) Financial Calendar

Financial Year: April 1 to March 31

For the financial year 2012 – 13, the results were announced as per the following details:

1st Quarter ended on June 30, 2012	On August 08, 2012
2nd Quarter ended on September 30, 2012	On November 03, 2012
3rd Quarter ended on December 31, 2012	On February 08, 2013
Audited Financial Result for the year ended on March 31, 2013	On May 15, 2013

For the financial year 2013 – 14, Financial results will be announced as per the following tentative schedule:

1st Quarter ended on June 30, 2013	First week of August, 2013
2nd Quarter ended on September 30, 2013	First week of November, 2013
3rd Quarter ended on December 31, 2013	First week of February, 2014
Audited Financial Result for the year ended on March 31, 2014	Last week of May, 2014

CORPORATE GOVERNANCE REPORT

(c) Date of Book Closure

The Company's Register of Member's & Share Transfer Book will remain closed from July 18, 2013 to July 27, 2013 (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 2012-13 on the Bombay Stock Exchange Limited, Mumbai.

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April	41.25	35.20	October	32.90	27.05
May	44.90	34.00	November	51.55	29.60
June	40.00	29.60	December	52.40	43.40
July	41.95	32.40	January	48.30	38.00
August	37.95	27.25	February	39.90	29.60
September	34.00	27.20	March	35.50	27.25

(f) Performance in Comparison to BSE Sensex :

Month & Year	Closing Sensex	% Change	Closing Price of Company's share	% Change
April 2012	17318.81	-0.49	37.90	1.20
May 2012	16218.53	-6.35	34.00	-10.29
June 2012	17429.98	7.47	35.75	5.15
July 2012	17236.18	-1.11	32.55	-8.95
August 2012	17429.56	1.12	30.70	-5.68
September 2012	18762.74	7.65	29.20	-4.89
October 2012	18505.38	-1.37	29.05	-0.51
November 2012	19339.90	4.51	47.90	*64.89
December 2012	19426.71	0.45	46.50	-2.92
January 2013	19894.98	2.41	38.00	-18.28
February 2013	18861.54	-5.19	36.40	-4.21
March 2013	18835.77	-0.14	32.90	-9.62

*Rise in change is mainly due to better results of the Company as compared to previous quarters.

(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 9400 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.

CORPORATE GOVERNANCE REPORT

(h) Categories of Shareholding and Dematerialisation of Shares as on March 31, 2013

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	73920	3140508	3214428	44.18%
Foreign institutional investors	-	-	-	-
Public financial institutions	-	-	-	-
Mutual funds	-	-	-	-
Nationalized banks				
and other banks	-	-	-	-
NRI's, NRN and OCB's	180818	1166490	1347308	
Others (includes holding of Corporate Bodies)	374884	2339380	2714264	18.52%
				37.30%
TOTAL	629622	6646378	7276000	
Percentage	8.65 %	91.35 %	100 %	100 %

(i) Distribution of Share Holding as on March 31, 2013

No. of Shares	Number of shareholders	Percentage of Total	Number of Shares	Percentage of Total Shares
1 to 500	2909	83.71	526841	7.24
501 to 1000	246	7.08	200333	2.75
1001 to 2000	139	4.00	224238	3.08
2001 to 3000	34	0.98	88058	1.21
3001 to 4000	22	0.63	80712	1.12
4001 to 5000	12	0.35	55724	0.76
5001 to 10000	43	1.24	333111	4.58
10001 and above	70	2.01	5766983	79.26
Total	3475	100.00	7276000	100.00

(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, 2013.

(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:

B/173, 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 15, 2013
Place : Surat

Veeral P. Desai
Managing Director

Dr. Pradip K. Desai
Executive 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, 2013, the Statement of Profit and Loss and 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. 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, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit 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 subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Prashant Maharishi
Partner
Membership No.41452

Place : Ahmedabad
Date : May 15, 2013

ANNEXURE TO AUDITORS' REPORT**[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Span Diagnostics Limited on the financial statements for the year ended March 31, 2013]**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per the information and explanations provided by the management, 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.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- (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 one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 15,393,431 and the year-end balance of loans granted to such parties was Rs. 13,685,081.
- (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 one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 23,00,000 and the year-end balance of loans taken from such parties was Rs. 23,00,000.
- (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 respect of transactions made in pursuance of such contracts or arrangements have been entered into during the financial year are reasonable except in some of the transactions, for which no comments is being made owing to the unique and specialized nature of the items involved and absence of any comparable prices. For price justification reliance is placed on the information and explanation given by the management.
- (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 explanation 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 generally regular in depositing with appropriate authorities undisputed statutory dues including 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 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 Rs. in Lacs	Period to which the amount relates	Forum where dispute is pending
The Bombay Sales Tax Act, 1959	Sales Tax	4.89	1998-99	Tribunal
The Bombay Sales Tax Act, 1959	Sales Tax	1.12	1990-91	Commissioner Appeals
The income Tax Act, 1961	Income Tax	216.08	AY 2003-04	ITAT

- (x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and 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 financial institutions, 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
FRN No.103523W**

**Prashant Maharishi
Partner
Membership No.41452**

**Place : Surat
Date : May 15, 2013**

BALANCE SHEET AS AT MARCH 31, 2013

	Note	As at 31-3-2013 Rs.	As at 31-3-2012 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	72,760,000	72,760,000
Reserves & Surplus	4	216,021,915	210,887,948
		<u>288,781,915</u>	<u>283,647,948</u>
Non Current Liabilities			
Long term Borrowings	5	137,497,971	102,456,753
Deferred Tax Liabilities (Net)	6	33,405,514	25,445,172
Long Term Provisions	7	6,849,237	5,812,730
		<u>177,752,722</u>	<u>133,714,655</u>
Current Liabilities			
Short Term Borrowings	8	190,085,802	150,186,739
Trade Payables	9	50,558,965	61,849,745
Other Current Liabilities	10	155,633,256	120,065,169
Short Term Provisions	11	23,345,098	7,822,057
		<u>419,623,121</u>	<u>339,923,710</u>
		<u>886,157,758</u>	<u>757,286,313</u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	12	293,596,192	175,477,389
Intangible Assets	12	85,693,232	49,443,685
Capital Work-in-Progress	12	21,648,823	72,594,333
Intangible Assets under Development	12	56,900,041	58,519,847
Non Current Investments	13	7,004,905	7,004,905
Long Term Loans and Advances	14	34,329,738	26,174,272
Other Non Current Assets	15	6,609,081	8,144,260
		<u>505,782,012</u>	<u>397,358,691</u>
Current Assets			
Inventories	16	141,277,535	167,297,083
Trade Receivables	17	191,995,406	132,252,440
Cash and Cash Equivalents	18	18,642,735	12,908,646
Short term Loans and Advances	19	28,460,070	47,469,453
		<u>380,375,746</u>	<u>359,927,622</u>
		<u>886,157,758</u>	<u>757,286,313</u>
TOTAL			
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
FRN No. 103523W

Prashant Maharishi
Partner
Membership No. 41452
Place : Surat
Date : May 15, 2013

For and on behalf of The Board of Director

Veeral P. Desai *Managing Director*

Dr. Pradip K. Desai *Executive Director*

Mitesh G. Rana *Company Secretary*

Place : Surat

Date : May 15, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note	2012-13 Rs.	2011-12 Rs.
INCOME			
Revenue form Operations	20	789,602,913	586,808,124
Other Income	21	10,656,349	10,211,953
Total Revenue		<u>800,259,262</u>	<u>597,020,077</u>
EXPENSES			
Cost of Materials Consumed	22	262,209,701	199,061,849
Purchase of Stock-in-Trade		28,323,215	40,564,560
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	15,801,141	(8,830,081)
Employee Benefits Expense	24	154,505,097	130,708,096
Finance Costs	25	37,771,052	25,224,406
Depreciation and Amorisation Expense		30,384,936	27,063,352
Other Expenses	26	253,816,485	187,586,195
Total Expenses		<u>782,811,627</u>	<u>601,378,377</u>
PROFIT BEFORE EXCEPTIONAL ITEMS & TAX		17,447,635	(4,358,300)
Add : Exceptional Items	27	--	29,072,127
PROFIT BEFORE TAX		17,447,635	24,713,827
Tax Expenses		(2,800,000)	(4,945,000)
MAT Credit Entitlement (Utilisation)		2,590,000	4,945,000
Tax Adjistment of earlier year		84,849	--
Deferred Tax		(7,960,342)	(12,472,172)
PROFIT AFTER TAX FOR THE YEAR		<u>9,362,142</u>	<u>12,241,655</u>
Earning per equity share - Basic & Diluted (Rs.) (Nominal value per share of Rs. 10/- each (Previous year-Rs. 10 each))	28	1.29	1.68
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
FRN No. 103523W

Prashant Maharishi
Partner
Membership No. 41452
Place : Surat
Date : May 15, 2013

For and on behalf of The Board of Director

Veeral P. Desai *Managing Director*

Dr. Pradip K. Desai *Executive Director*

Mitesh G. Rana *Company Secretary*

Place : Surat

Date : May 15, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	2012-13 Rs.	2011-12 Rs.
A CASH FLOW FROM THE OPERATING ACTIVITIES		
PROFIT BEFORE TAX	17,532,485	24,713,827
Depreciation and Amortization	30,384,936	27,063,353
Investment Income	(2,855,428)	(2,761,936)
Interest Charged	37,771,052	28,810,752
Loss on Discarded Assets	0	0
Loss/(Profit) on sales of fixed assets (Net)	(21,251)	(35,385)
Operating Profit before working capital changes	82,811,794	77,790,611
Adjusted for changes in		
Trade and Other Receivables	(42,194,911)	(73,386,594)
Inventories	26,019,548	(18,286,672)
Trade Payables and other liabilities	26,190,885	11,506,411
Cash generated from operations	92,827,316	(2,376,244)
Less : Direct taxes (Including FBT of earlier year) paid during the year	5,987,129	12,152,991
Cash flow before Extra-ordinary items	86,840,187	(14,529,235)
Prior period adjustments	0	0
NET CASH FLOW FROM OPERATING ACTIVITIES	86,840,187	(14,529,235)
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition in Fixed Assets and Capital Work in Process	(132,494,116)	(118,683,523)
Proceeds from Sales of Fixed Assets	327,397	2,772,102
Proceeds from Sales of Investment	0	(3,005)
Interest received	2,855,428	2,761,936
NET CASH USED IN INVESTING ACTIVITIES	(129,311,291)	(113,152,490)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	0	0
(Repayment)/Proceeds(of)/ from Borrowings	85,542,073	93,764,804
Interest paid	(37,771,052)	(28,810,752)
Dividend & Corporate Dividend Tax paid	(183,998)	(8,452,369)
NET CASH FLOW FROM FINANCING ACTIVITIES	47,587,023	56,501,683
NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)	5,115,919	(71,180,042)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	16,253,952	87,433,994
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	21,369,871	16,253,952

As per our Report of even date :

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

Prashant Maharishi
Partner
Membership No. 41452

Place : Surat
Date : May 15, 2013

For and on behalf of the Board of Director

Veeral P. Desai *Managing Director*

Dr. Pradip K. Desai *Executive Director*

Mitesh G. Rana *Company Secretary*

Place : Surat
Date : May 15, 2013

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

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 Accounting :

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) Revenue Recognition & other Accounting Policies :

- The Company recognise revenue on the sale of products when risks and rewards of the ownership is transfer 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.

iv) Fixed Assets & Depreciation :

- Fixed 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.
- Monetary foreign currency items other than those covered by forward contracts (i. e. receivable, payable, etc.) denominated in foreign currency are reported using the closing exchange rate on each balance sheet date. Exchange difference is recognised as income/expense.
- Non-monetary foreign currency items are carried at historical cost determined on the date of transaction.

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

Raw-Materials, Packing Materials & Other Materials
 Work-in-Process
 Finished Goods/ Traded Goods for resale

Mode of Valuation

At lower of cost or net realizable value
 At lower of cost or net realizable value
 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.

xi) 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, 2013

xii) **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.

xiii) **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.

xiv) **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.

xv) **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.

xvi) **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

- a) The Company has a present obligation as a result of past event;
- b) It is probable that an outflow of resources embodying economic benefit is expected to settle the obligation,
- c) A reliable estimate can be made for the amount of obligation.
- d) 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) 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.
- b) 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
xviii) 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.

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
		31-03-2013	31-03-2012
		Rs.	Rs.
	Authorised		
	15,000,000 Equity Shares of Rs. 10/- each. (Previous year 15,000,000)	150,000,000	150,000,000
	Issued, Subscribed and paid-up		
	7,276,000 (Previous year 7,276,000) Equity Shares of Rs.10/- each fully paid up	72,760,000	72,760,000
		72,760,000	72,760,000

3.1 Of the above 3,638,000 Equity shares of Rs.10/- each have been allotted as fully paid-up bonus shares in year 2010-11 by capitalising Rs.36,380,000 out of Securities premium.

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

Name of Shareholder	As at 31-03-2013		As at 31-03-2012	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Pradipkumar Keshavlal Desai	1,306,480	17.96	1,306,480	17.96
Lataben P. Desai	717,060	9.86	717,060	9.86
Natvarlal Shivabhai Patel	554,920	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 31-03-2013 No. of Shares	As at 31-03-2012 No of Shares
Equity Shares outstanding at the beginning of the year	7,276,000	7,276,000
Add: Shares Issued during the year	--	--
Less : Shares bought back during the year.	--	--
Equity Shares outstanding at the end of the year.	7,276,000	7,276,000

3.4 There was no increase in Capital During the current year. However, during the year 2010-11, 165,250 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. 6,605,042/-. Further 3,638,000 equity shares of Rs. 10 each were issued in the year 2010-11 as bonus shares in ratio of 1:1 by capitalising securities premium which in aggregate amounts to Rs. 36,380,000/-

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

4	RESERVES AND SURPLUS	As at	
		31-03-2013	31-03-2012
		Rs.	Rs.
	Capital Reserve		
	As per last Balance Sheet	4,205,775	4,205,775
		<u>4,205,775</u>	<u>4,205,775</u>
	Securities Premium Reserve :		
	Balance as per last Balance Sheet	9,824,798	9,824,798
		<u>9,824,798</u>	<u>9,824,798</u>
	General Reserve :		
	Balance as per last Balance Sheet	73,744,200	72,524,200
	Add: Transfer from Statement of Profit & Loss	--	1,220,000
		<u>73,744,200</u>	<u>73,744,200</u>
	Profit & Loss Account :		
	As per Last Balance Sheet	123,113,175	112,091,520
	Add : Profit for the year	9,362,142	12,241,655
		<u>132,475,317</u>	<u>124,333,175</u>
	Less : Appropriations		
	Proposed Dividend on Equity Shares	3,638,000	--
	[(Dividend per share Rs. 0.50 (Previous year NIL)]		
	Dividend Distribution Tax	590,175	--
	Transfer to General Reserve	--	12,20,000
		<u>128,247,142</u>	<u>123,113,175</u>
		<u>216,021,915</u>	<u>210,887,948</u>

5	LONG TERM BORROWINGS	As at		As at	
		31-03-2013		31-03-2012	
		Rs.		Rs.	
	SECURED	Non Current	Current	Non Current	Current
	Term loan from banks	75,692,071	18,598,814	48,389,553	12,527,422
	Term loan from Other Parties	12,389,300	1,769,900	14,159,200	1,769,900
	Deferred Payment Liabilities	16,891,600	2,111,400	14,741,000	--
	UNSECURED				
	Deposits	32,525,000	15,282,000	25,167,000	12,863,000
		<u>137,497,971</u>	<u>37,762,114</u>	<u>102,456,753</u>	<u>27,160,322</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. 313,064 (Previous Year: Rs. 682,589) 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.

5.4 Deposits includes deposits from Related Parties of Rs. 89,53,000 (Previous year Rs.71,90,000) (Refer Note 32) carrying rate of interest as per standard norms of deposits.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
5.5 Interest Rate Profile of Term Loans & Deposits are as set out below :

Particulars	Rate of Interest (p.a.)	Amount (Rs.)
Term Loan From Banks	14.55%	36,920,643
	6.82%	11,048,462
	13.75%	46,008,716
	11.04%	313,064
Term Loan From Other Parties	1.00%	6,460,200
	2.00%	7,699,000
Deferred Payment Liabilities	5.00%	19,003,000
Deposits	10.00%	200,000
	10.50%	2,979,000
	11.00%	16,856,000
	11.50%	14,491,000
	12.00%	13,281,000
Total		175,260,085

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	34,164,929	25,518,424	16,008,718	--
Term Loan From Other Parties	1,769,900	1,769,900	1,769,900	7,079,600
Deferred Payment Liabilities	4,222,000	4,222,000	4,222,000	4,225,600
Deposits	9,276,000	23,249,000	--	--
	49,432,829	54,759,324	22,000,618	11,305,200

6 DEFERRED TAX LIABILITIES (Net)

	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
Deferred Tax Liability		
Difference between Depreciable Assets as per books of accounts and written down value for tax purpose	25,326,892	19,069,184
Deferred Revenue Exp. (CWIP-R&D)	10,540,159	9,472,238
Other Gratuity	1,259,497	0
	37,126,548	28,541,422
Deferred Tax Assets		
Disallowance U/S 43B		
a) Provision for leave encashment	2,064,779	1,870,185
b) Provision for bad/doubtful debts	582,280	132,669
c) Provision for bonus	1,073,975	1,093,396
	3,721,034	3,096,250
Net Deferred Tax Liability	33,405,514	25,445,172

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

		As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
7	LONG TERM PROVISIONS :		
		Non Current	Current
		Non Current	Current
	Leave Encashment (Unfunded)	3,968,006	2,395,931
	Interest accrued but not due on borrowings	2,881,231	1,682,194
		<u>6,849,237</u>	<u>5,812,730</u>
8	SHORT TERM BORROWINGS		
	SECURED		
	Working Capital Loans from Banks	187,785,802	150,186,739
	UNSECURED		
	Loans and Advances from Related Parties (Refer Note No. 32)	2,300,000	--
		<u>190,085,802</u>	<u>150,186,739</u>
8.1	Working Capital Loan are secured by hypothecation of Current Assets and collaterally secured by the personal guarantees of promoter Directors, equitable mortgage of some of the immovable properties of the Company . The Interest rate in INR portion varies from 13.5% to 14.5%. Short Term Loan from Related Party is at 12%.		
9.	TRADE PAYABLES	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	Micro. Small and Medium Enterprises	--	2,635,409
	Others	50,558,965	59,214,336
		<u>50,558,965</u>	<u>61,849,745</u>
9.1	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.		
10.	OTHER CURRENT LIABILITIES	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	Current maturities of long term debt (Refer Note No. 5)	37,762,114	27,160,322
	Interest accrued but not due on borrowings	1,682,194	1,762,377
	Creditors for Capital Expenditure	11,936,971	3,549,767
	Forward Contract Payable (Net of receivable)	811,668	1,004,733
	Income received in advance	1,208,998	932,491
	Unclaimed Dividend #	475,599	659,597
	Statutory Dues	10,131,941	9,404,593
	Security Deposits*	20,067,957	19,261,549
	Advance from Customers	16,199,435	20,047,241
	Other Payable@	55,356,379	36,282,499
		<u>155,633,256</u>	<u>120,065,169</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. 500,000 (Previous Year Rs. 500,000) and Security Deposit from stockiest carrying interest rates varying from 10-12% p.a.		
	@ Includes Rs 99,18,458 (Previous Year 46,42,567) payable to Related Parties (Refer Note No 32).		
11.	SHORT TERM PROVISIONS :	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	Provision for Employees Benefits	3,310,141	3,370,000
	Proposed Dividend	3,638,000	0
	Tax on Dividend	590,175	0
	Provision for Current Obligation of Leave Encashment (Refer note 7)	2,395,931	2,107,504
	Other Provisions*	13,410,851	2,344,553
		<u>23,345,098</u>	<u>7,822,057</u>

* Includes provision for warranty of Rs 515,645 (Previous Year 946,596) which is estimated based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
12 FIXED ASSETS

Sr. No.	Name of Assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 1-4-2012 Rs	Additions Rs	Deduction/ Adjustment Rs.	As at 31-03-2013 Rs	as at 1-4-2012 Rs.	For the Year Rs.	Deductions/ Adjustment Rs.	as at 31-3-2013 Rs.	As at 31-3-2013 Rs	As at 31-3-2012 Rs
Tangible Fixed Assets											
1	Leasehold Land	11,538,900	--	--	11,538,900	--	--	--	--	11,538,900	11,538,900
2	Free hold Land	798,300	--	--	798,300	--	--	--	--	798,300	798,300
3	Buildings & Roads	112,014,955	48,640,542	--	160,655,497	42,807,242	4,119,339	--	46,926,581	113,728,916	69,207,713
4	Plant & Machineries	100,176,708	56,174,814	--	156,351,522	50,676,183	8,143,618	--	58,819,801	97,531,721	49,500,525
5	Electrical Installations	13,999,072	8,678,430	22,472	22,655,030	8,649,283	947,090	--	9,596,373	13,058,657	5,349,789
6	Cold Rooms/Storages	10,489,440	3,517,454	--	14,006,894	5,151,604	771,965	--	5,923,569	8,083,325	5,337,836
7	Loose Tools, Moulds, Utilities and other Equipments	20,924,116	3,660,487	6,975	24,577,628	13,119,491	2,917,082	1598	16,034,975	8,542,653	7,804,625
8	Laboratory Equipments	10,512,290	3,904,201	--	14,416,491	5,280,551	757,494	--	6,038,045	8,378,446	5,231,739
9	R & D Equipments	11,686,157	832,102	--	12,518,259	4,263,634	1,055,893	--	5,319,527	7,198,732	7,422,523
10	Furniture & Fixtures	18,594,401	12,707,069	--	31,301,470	11,557,460	1,528,614	--	13,086,074	18,215,396	7,036,941
11	Computers	9,471,141	1,153,987	139,200	10,485,928	8,105,135	527,796	--	8,632,931	1,852,997	1,366,006
12	Office Equipments	3,867,433	336,726	--	4,204,159	2,800,337	170,473	--	2,970,810	1,233,349	1,067,096
13	Vehicles	9,085,563	884,190	552,111	9,417,642	5,270,167	1,125,689	413,014	5,982,842	3,434,800	3,815,396
Total (A)		333,158,476	140,490,002	720,758	472,927,720	157,681,087	22,065,053	414,612	179,331,528	293,596,192	175,477,389
Intangible Assets											
1	Goodwill	322,120	--	--	322,120	322,120	--	--	322,120	--	--
2	Technical Know how	61,208,083	42,028,480	--	103,236,563	13,941,392	6,523,087	--	20,464,479	82,772,084	47,266,691
3	Software	8,536,123	2,540,950	--	11,077,073	6,359,129	1,796,796	--	8,155,925	2,921,148	2,176,994
Total (B)		70,066,326	44,569,430	--	114,635,756	20,622,641	8,319,883	--	28,942,524	85,693,232	49,443,685
Total (A + B)		403,224,802	185,059,432	720,758	587,563,476	178,303,728	30,384,936	414,612	208,274,052	379,289,424	224,921,074
Previous Year		352,161,946	57,542,893	6,480,037	403,224,802	154,983,695	27,063,352	3,743,319	178,303,728	224,921,074	197,178,252
Capital Work-in-Progress										21,648,823	72,594,333
Intangible Assets Under Development										56,900,041	58,519,847

12.1

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.

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.3,396,672 has been capitalized during the year (Previous year Rs. 1,393,088).

13 NON CURRENT INVESTMENTS

	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
Trade Investments (Unquoted fully Paid Up)		
Investment in Equity Shares		
Investment in Joint Ventures		
Span Nihon Kohden Diagnostics Pvt. Ltd.	5,400,000	5,400,000
(54,000 Equity Share (Previous Year 54,000 Equity Shares) of Rs. 100 each)		
Span Diagnostics South Africa (Pty.) Ltd.	3,005	3,005
(460 Equity Shares (Previous Year - 460 Shares) of Rand 1 each)		
Investment in Subsidiary		
Span Biotronics Pvt. Ltd.	1,000,000	1,000,000
(10,000 Equity Shares (Previous Year 10,000 Equity Share) of Rs. 100 each)		
Span Biotherapeutics Pvt. Ltd.	99,900	99,900
(9,990 Equity Shares (Previous Year-9,990 Shares) of Rs. 10 each)		
Investment in Other		
Sachin Infra Management Ltd.	2,000	2,000
(200 Shares (Previous Year - 200 Shares) of Rs. 10 each)		
Investment in Preference Shares		
Investment in Subsidiary		
Span Biotronics Pvt. Ltd.	500,000	500,000
(5,000, 10% Cumulative Preference Shares (Previous Year-5000 Shares) of Rs. 100 each - Redeemable no later than year 2018)		
Aggregate Amount of Unquoted Investments (At Cost)	7,004,905	7,004,905

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

14	LONG TERM LOANS AND ADVANCES		As at	As at
	(Unsecured and Considered Good)		31-03-2013	31-03-2012
			Rs.	Rs.
	Capital Advances		2,581,256	4,044,407
	Loans and Advances to Related Parties (Refer Note No. 32)		10,706,265	8,404,618
	Advance Income Tax (Net of Provision)		13,934,420	8,157,291
	Security Deposits		7,107,797	5,567,956
			<u>34,329,738</u>	<u>26,174,272</u>
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	As at
			31-03-2013	31-03-2012
			Rs.	Rs.
	Name of the Company	Type of Relation	Non Current	Current
			Non Current	Current
	Span Biotronics Private Limited	Subsidiary	9,272,568	2,916,755
	Span Diagnostics SA (PTY.LTD.)	Joint Venture	1,433,697	0
			<u>10,706,265</u>	<u>2,916,755</u>
				<u>8,404,618</u>
				<u>937,751</u>
	(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	As at
	Other		31-03-2013	31-03-2012
			Rs.	Rs.
	Advance to Gratuity Trust (Refer Note No. 24.1)		3,881,945	4,798,954
	Term Deposit Maturing after one year*		2,727,136	3,345,306
	* Includes earmarked deposit of Rs. 2,670,136 (Previous year 3,197,543)		<u>6,609,081</u>	<u>8,144,260</u>
16	INVENTORIES		As at	As at
			31-03-2013	31-03-2012
			Rs.	Rs.
	Raw Materials		38,594,399	39,814,853
	Raw Materials in Transit		--	464,224
	Packing Materials		19,029,402	24,578,619
	Packing Materials in Transit		1,586,011	4,765,982
	Consumable Stores		10,008,806	7,180,859
	Consumable Stores in Transit		--	221,983
	Work-in-Process		9,447,940	9,773,039
	Semi-Finished		11,458,618	13,140,506
	Finished Goods		36,818,865	47,542,124
	Stock in Trade		14,333,494	19,814,894
		<u>141,277,535</u>	<u>167,297,083</u>	
16.1	For mode of valuation refer Note no. 2(x) of Notes on Financial Statements.			
17	TRADE RECEIVABLES		As at	As at
	Unsecured		31-03-2013	31-03-2012
			Rs.	Rs.
	Exceeding six months			
	Considered Good		12,866,937	17,889,526
	Considered Doubtful		1,794,668	408,903
	Less : Provision for Doubtful Debts		1,794,668	408,903
			<u>12,866,937</u>	<u>17,889,526</u>
	Other - Considered Good *#		179,128,469	114,362,914
			<u>191,995,406</u>	<u>132,252,440</u>
	* Trade receivable includes debt due by the Private Company in which director is a member of Rs 158,059 (Previous Year Rs 122,523).			
	# Includes trade receivable from related parties of Rs Nil (Previous Year 428,267) (Refer Note no 32).			
17.1	Company has written off Rs.11,918 (Previous year Rs.1,327,016) out of customer balance.			

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

18	CASH AND CASH EQUIVALENTS	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	Bank Balances with Banks :		
	In Current Accounts*	13,083,780	9,187,818
	In Fixed Deposits Accounts #	5,339,652	3,572,924
	Cash on Hand	219,303	147,904
		<u>18,642,735</u>	<u>12,908,646</u>
	* Includes Earmarked Balance of Rs. 522,177 (Previous year Rs. 685,231) in respect of Project and Unpaid Dividend.		
	# Include deposits of Rs. 3,122,561 (Previous year Rs. 1,888,721) held as margin money deposits against gaurantees.		
19	SHORT TERM LOANS AND ADVANCES	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	Unsecured and considered good		
	Loans and Advances to Related Parties (Refer Note No 32)	865,318	805,239
	Current maturities of long term loan and advance to Related Parties (Ref Note no. 14.1 & 32)	2,916,755	937,751
	Balance with Statutory Authorities	6,301,841	6,533,654
	Security Deposits	552,735	614,935
	Advance to Sundry Creditors	11,126,853	14,182,164
	Prepaid Expenses	5,654,608	20,805,656
	Deferred Forward Premium	89,512	2,007,180
	Others#	952,448	1,582,874
		<u>28,460,070</u>	<u>47,469,453</u>
	# Includes Loan to the Employees of Rs 497,500 (Previous Year 518,500)		
20	REVENUE FROM OPERATIONS	2012-13 Rs.	2011-12 Rs.
	Sales of Products	794,542,158	585,186,545
	Sales of Services (net of service tax)	2,748,142	7,860,620
		<u>797,290,300</u>	<u>593,047,165</u>
	Less : Excise Duty recovered on Sales	7,687,387	6,239,041
		<u>789,602,913</u>	<u>586,808,124</u>
21	OTHER INCOME	2012-13 Rs.	2011-12 Rs.
	Interest Income	2,855,428	2,761,936
	Profit on Sale of Assets	21,251	35,385
	Leave and License Fees Income (Refer Note No. 32)	2,190,000	2,316,000
	Export Incentive	119,439	258,070
	Dividend Income (Refer Note No. 32)	3,600,000	-
	Other Non Operating Income *	1,870,231	4,840,562
		<u>10,656,349</u>	<u>10,211,953</u>

* Other Non Operating Income includes Excise Duty Refund of Rs Nil (Previous Year 1,195,478), Exchange rate difference gain of Rs Nil (Previous Year 158,090)

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

22	COST OF MATERIALS CONSUMED		2012-13 Rs.	2011-12 Rs.
	Raw Materials Consumed		136,452,848	119,101,871
	Packing Materials Consumed		125,756,853	79,959,978
			<u>262,209,701</u>	<u>199,061,849</u>
22.1	VALUE OF MATERIALS CONSUMED		2012-13 Value in Rs. % of Consumption	2011-12 Value in Rs. % of Consumption
	Raw Materials			
	Imported	103,934,844	76.17%	95,701,248
	Indigenous	32,518,004	23.83%	23,400,623
		<u>136,452,848</u>	<u>100.00%</u>	<u>119,101,871</u>
	Packing Materials			
	Imported	8,411,214	6.69%	2,529,189
	Indigenous	117,345,639	93.31%	77,430,789
		<u>125,756,853</u>	<u>100.00%</u>	<u>79,959,978</u>
22.2	PARTICULARS OF MATERIALS CONSUMED		2012-13 Rs.	2011-12 Rs.
	Particulars			
	Fine Chemicals		25,332,869	24,089,407
	Biological Chemicals		89,521,470	78,734,013
	Packing Materials		125,756,853	79,959,978
	Others		21,598,509	16,278,451
			<u>262,209,701</u>	<u>199,061,849</u>
23	CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE		2012-13 Rs.	2011-12 Rs.
	Closing Stock			
	Work-in-Process		9,447,940	9,773,039
	Semi-Finished		11,458,618	13,140,506
	Finished Goods		36,818,865	47,542,123
	Stock-in-Trade		14,333,494	19,814,894
			<u>72,058,917</u>	<u>90,270,562</u>
	Less : Excise Duty		3,053,141	5,463,645
			<u>69,005,776</u>	<u>84,806,917</u>
	Opening Stock			
	Work-in-Process		9,773,039	4,987,002
	Semi-Finished		13,140,506	14,153,844
	Finished Goods		47,542,123	39,105,168
	Stock-in-Trade		19,814,894	21,789,598
			<u>90,270,562</u>	<u>80,035,612</u>
	Less : Excise Duty		5,463,645	4,058,776
			<u>84,806,917</u>	<u>75,976,836</u>
			<u>15,801,141</u>	<u>(8,830,081)</u>

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

24	EMPLOYEE BENEFITS EXPENSES	2012-13 Rs.	2011-12 Rs.
	Salaries, Wages, Benefies and other allowances (including Directors' Remuneration)	138,293,384	116,846,437
	Contribution to Provident and other finds	11,034,374	9,433,850
	Staff Welfare Expenses	5,177,339	4,427,809
		<u>154,505,097</u>	<u>130,708,096</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.		
		2012-13 Rs.	2011-12 Rs.
	Employer's Contribution to Provident Fund and Family Pension Fund	6,421,121	5,595,537
	Employer's Contribution to Employee State Insurance fund	1,496,429	1,482,555
	Employer's Contribution to Super Annuation Fund	1,992,600	1,418,676
	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) 2012-13 Rs.	Gratuity (Funded) 2011-12 Rs.
	Defined Benefit obligation at beginning of year	23,402,421	21,903,981
	Current Service Cost	1,553,321	8,821,877
	Interest Cost	2,047,712	1,807,078
	Actuarial (gain) / loss	(124,969)	(7,747,796)
	Benefit Paid	(1,341,355)	(1,382,719)
	Defined Benefit obligation at year end	<u>25,537,130</u>	<u>23,402,421</u>
	(ii) Reconciliation of opening and closing balance of Fair value of plan assets :		
		Gratuity (Funded) 2012-13 Rs.	Gratuity (Funded) 2011-12 Rs.
	Fair value of plan assets at beginning of year	28,201,375	24,891,994
	Expected return on plan assets	2,425,318	1,991,360
	Actuarial (gain) / loss	133,737	333,413
	Employers Contribution	-	2,367,327
	Benefit Paid	(1,341,355)	(1,382,719)
	Fair value of plan assets at year end	29,419,075	28,201,375
	Actual return on plan assets	<u>2,559,055</u>	<u>2,324,773</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
iii) Reconciliation of Fair Value of assets and obligation :

	Gratuity (Funded) As at March 31, 2013 Rs.	Gratuity (Funded) As at March 31, 2012 Rs.
Fair value of plan assets	29,419,075	28,201,375
Present value of obligation	25,537,130	23,402,421
Amount recognised in Balance Sheet as liability / (asset)	(3,881,945)	(4,798,954)

iv) Expense Recognised during the year :

	Gratuity (Funded) 2012-13 Rs.	Gratuity (Funded) 2011-12 Rs.
Current Service Cost	1,553,321	8,821,877
Interest Cost	2,047,712	1,807,078
Expected return on plan assets	(2,425,318)	(1,991,360)
Actuarial (gain) / loss recognised in the year	(258,706)	(8,081,209)
Net Cost recognised in Profit & Loss account	917,009	556,386

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 :

Mortality Table (LIC) [1994-96 (Ultimate)]	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12
Discount rate (per annum)	8.25%	8.75%
Expected rate of return on plan assets (per annum)	8.70%	8.60%
Rate of escalation in salary (per annum)	7.00%	7.00%

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

	Gratuity (Funded) 2012-13	Gratuity (Funded) 2011-12	Gratuity (Funded) 2010-11	Gratuity (Funded) 2009-08	Gratuity (Funded) 2008-09
Fair Value of plan assets	29,419,075	28,201,375	24,891,994	22,560,712	18,153,907
Present value of obligation	25,537,130	23,402,421	21,903,981	22,329,736	20,558,602
Surplus (Deficit) in Plan	3,881,945	4,798,954	2,988,013	230,976	(2,404,695)

25 FINAL COST

	2012-13 Rs.	2011-12 Rs.
Interest Expenses*	33,488,759	19,660,592
Other Borrowing Costs #	4,282,293	5,563,814
	<u>37,771,052</u>	<u>25,224,406</u>

* Include interest paid to Related Parties on fixed deposits Rs.1,144,899 (Previous Year Rs.789,147)

Relates Forward Premium Expense of Rs 25,45,968 (Previous Year Rs 49,80,115)

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

26	OTHER EXPENSES	2012-13 Rs.	2011-12 Rs.
	Manufacturing Expenses		
	Processing charges	24,658,439	16,233,762
	Laboratory Expenses	2,376,153	2,026,553
	Power and Fuel	20,185,918	13,018,252
	Stores Consumed	17,875,433	19,160,359
	Excise duty paid	7,531,401	6,627,046
	Repairs to Building	186,883	184,780
	Repairs to Plant & Machineries	1,216,189	819,261
	Research & Development Expenses	16,009,970	13,059,944
	Other Manufacturing Expenses	3,400	132,267
		<u>90,043,786</u>	<u>71,262,224</u>
	Selling & Distribution Expenses		
	Liquidated Damage	12,592,289	2,825,563
	Royalty	6,799,215	2,825,862
	Target Discount	2,682,270	2,376,570
	Freight Outward Expenses	33,158,493	24,617,089
	Sales Commission	34,789,510	13,183,013
	Traveling and Conveyance (Marketing)	18,064,150	17,107,287
	Sales Promotion Expense	5,985,619	6,523,293
	Provision for Doubtful Debts	1,397,683	11,818
	Other Selling & Distribution Expenses	1,902,476	2,400,555
		<u>117,371,705</u>	<u>71,871,050</u>
	Administration and Other Expenses		
	Communication Expenses	4,720,144	4,314,496
	Printing and Stationery	766,830	1,126,920
	Travelling and Conveyance (Others)	8,418,302	6,862,903
	Directors' Sitting Fees & Allowance	205,000	250,000
	Rates & Taxes	1,120,847	1,201,718
	Insurance Charges	1,425,050	1,331,625
	Rent	1,520,700	1,071,000
	Payment to Auditors (Refer Note 26.2)	626,567	622,006
	Legal & Professional Charges	8,218,059	9,839,347
	Electricity Charges	1,781,265	1,619,750
	House Keeping Expenses	2,281,298	1,506,505
	Security Charges	1,593,599	1,193,878
	Exchange loss (Net)	393,955	0
	Other Expenses	13,329,378	13,512,773
		<u>46,400,994</u>	<u>44,452,921</u>
		<u>253,816,485</u>	<u>187,586,195</u>

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

26.1	VALUE OF STORES & SPARES CONSUMED	2012-13	2011-12
	Value in Rs.	%of Consumption	Value in Rs. %of Consumption
	Stores and Spares		
	Imported	1,591,526	8.90%
	Indigenous	16,283,906	91.10%
		17,875,433	100.00%
		6,071,957	31.69%
		13,088,402	68.31%
		19,160,359	100.00%
26.2	AUDITOR'S REMUNERATIONS	2012-13	2011-12
		Rs.	Rs.
	Particulars		
	Audit Fees	260,000	200,000
	Tax Audit Fees	75,000	75,000
	Other Services	170,000	221,500
	Service tax on above fees	42,122	48,012
	Reimbursement of Expenses	79,445	77,494
		626,567	622,006
26.3	EXPENDITURE AND EARNINGS IN FOREIGN EXCHANGE	2012-13	2011-12
		Rs.	Rs.
	a) Earnings in Foreign Exchange		
	Export of Goods calculated of F.O.B. basis	89,824,398	80,027,752
	b) Expenditure in foreign currency		
	1. Royalty	3,455,602	2,376,998
	2. Bank Interest	5,598,905	7,890,177
	3. Dividend	--	153,000
	4. Research & Development Expense	--	245,064
	5. Technical Know-how	13,115,085	12,019,642
	6. Salary and Other cost	2,473,221	--
	7. Marketing expenses	2,146,349	1,847,185
	8. Sales Promotion	2,171,200	1,401,719
	9. Foreign Travelling expenditure	2,857,161	1,533,339
	10. Other expenses	2,384,409	2,399,847
	c) Value of Imports calculated on CIF basis		
	Raw Materials & Packing Materials	101,721,315	101,477,986
	Goods for resale	25,375,010	25,734,431
	Capital Goods	2,204,957	7,063,718
	Consumable Store	3,403,627	6,062,767
27	EXCEPTIONAL ITEMS		
	In current year there are no exceptional items. However in previous year, considering overall strategy of the Company and to focus on core diagnostic reagent manufacturing business of the Company and to obtain optimum price, the Company decided to hive off its Hematology business by way of business asset transfer including inventory, goodwill, etc. to M/s. Nihon Kohden India Private Limited, a subsidiary of Nihon Kohden Corporation, Japan subject to terms and condition mutually decided and as set out in the agreement. The Company has recorded Rs 29,072,127 in previous year on account of transfer of goodwill in light of this transactions.		
28	EARNING PER SHARE	2012-13	2011-12
		Rs.	Rs.
	Profit after taxation as per Profit and Loss account net of Prior period adjustment	9,362,142	12,241,655
	Weighted average number of equity shares outstanding	7,276,000	7,276,000
	Basic and Diluted Earning per shares (face value - Rs. 10 per share)	1.29	1.68

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
29 CONTINGENT LIABILITIES AND COMMITMENTS
A. Contingent Liabilities

Particulars	As at 31-3-2013 Rs.	As at 31-3-2012 Rs.
a) Taxes		
(1) Sales tax		
Demands under contest (Net of Tax)	406,103	406,103
C-Form Pending (Net of Tax)	1,438,922	752,563
(2) Income tax		
Demands under dispute	21,607,889	21,607,889
b) Claims against the Company not acknowledged as Debts	3,927,954	6,338,418
c) On account of guarantees given by the bank on behalf of the company in favor of customs and others.	48,160,197	42,200,736
d) The Company has imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India at concessional rates of customs duty by undertaking obligations to export, Future outstanding export obligations under the Scheme as on 31-03-2013 aggregating of US\$ 10946 if not fulfilled may result in custom duty liability of (Net of tax)	--	70,090
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 31-03-2013, which if not fulfilled may result in custom duty liability of (Net of tax)	49,315	201,165

B. Capital Commitments

Particulars	As at 31-3-2013 Rs.	As at 31-3-2012 Rs.
Estimated amount of contracts (Net of advances) remaining to be executed on Capital Account and not provided for	4,807,753	53,221,934

30 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.

	2012-13 (Rs.)	2011-12 (Rs.)
Rent paid under this agreement	1,520,700	1,071,000

- 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.

	2012-13 (Rs.)	2011-12 (Rs.)
Rent received during the year under this agreement	2,190,000	2,316,000

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

	2012-13 (Rs.)	2011-12 (Rs.)
Receivable within one year	2,190,000	2,190,000
Receivable between one year and five year	912,500	3,102,500
Receivable after five year	Nil	Nil

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

31 SEGMENT REPORTING

The company operates in a single segment – Diagnostic Products.

32 RELATED PARTY DISCLOSURES

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

A. Relationship.

(i) Related parties where control exists :

Span Biotherapeutics Pvt Ltd (Subsidiary)
 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

(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

(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

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, 2013
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	- <i>428,267</i>			
Purchase:				
Goods and Material	- <i>8,948,725</i>			194,578 <i>916,796</i>
Expenses :				
Remuneration/sitting Fees		19,050,674 <i>13,501,220</i>		
Interest on F.D./Loan		396,975 <i>448,635</i>	538,466 <i>340,512</i>	209,458 <i>Nil</i>
Rent paid		Nil <i>2,000</i>	219,000 <i>192,000</i>	
Dividend Paid		Nil <i>1,203,748</i>	Nil <i>1,598,860</i>	
Garden Expense				720,000 <i>Nil</i>
Selling & Marketing Expense	2,389,935 <i>2,055,904</i>			
Royalty	44,370 <i>Nil</i>			1,322,096 <i>1,409,064</i>
Income :				
License Fees	2,190,000 <i>2,190,000</i>			
Other Income	4,815,627 <i>342,854</i>			
Capital Items :				
Loan & Advances received	153,441 <i>Nil</i>	800,000 <i>1,767,000</i>	1,300,000 <i>1,490,000</i>	2,300,000 <i>Nil</i>
Loan & Advances given	5,709,903 <i>9,920,221</i>			4,438 <i>21,184</i>
Purchase of Technology	17,611,998 <i>10,964,000</i>			20,169,576 <i>16,528,334</i>
Purchase of Asset				776,719 <i>Nil</i>
Investment Made	- <i>3,005</i>			
Balance as at March 31, 2013				
Investments	7,002,905 <i>7,002,905</i>			
Trade Receivables	Nil <i>428,267</i>			
Loans & Advances	14,467,154 <i>10,126,424</i>			21,184 <i>21,184</i>
Deposits/Loan Accepted	500,000 <i>500,000</i>	3,865,000 <i>2,902,000</i>	5,088,000 <i>3,788,000</i>	2,300,000 <i>Nil</i>
Trade and Other Payables	978,363 <i>960,934</i>			8,940,095 <i>3,681,633</i>

Figures of Previous Year are represented in Italic form.

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

Disclosure in respect of material related party transaction during year :

- a. Sales of the goods & Material includes Span Diagnostics SA (Pty.) Ltd. Rs. NIL (Previous year 428,267).
- b. Purchases/material consumed from Span Nihon-Kohden Diagnostics Pvt. Ltd. Rs. NIL (Previous Year Rs.8,948,725), Span Diagnostics SARL Rs.177,250(Previous Year Rs.900,261), Quest Biochemicals Pvt. Ltd. Rs.17328 (Previous Year Rs 16535)
- c. Payment to Key Management Personnel include to Dr.Pradeep K. Desai Rs.8,776,000 (Previous Year 4,425,120), Shri Veeral P. Desai Rs.4,403,800 (Previous Year Rs.4,403,800), Dr. Madhu kanta T. Patel Rs. 2,352,350 (Previous Year Rs.2,352,350), Ms. Sujata V. Desai Rs.3,518,524 (Precious Year Rs.2,319,950)
- d. Interest on F.D./Loan includes Dr. M. T. Patel Rs.385,975 (Previous Year Rs.307,691), Ms.Sujata V Desai Rs.11,000 (Previous Year Rs.11,000), Dr.Pradeep K. Desai Rs.NIL (Previous Year Rs.129,944), Mrs. Shital S. Kazi Rs.23,000 (Previous Year Rs.8,044), Mrs. Tejal V.Desai Rs.284,861 (Previous Year Rs.103,449), Dr.Pradeep K.Desai (HUF) Rs. NIL (Previous Year Rs.NIL), Dr.Harshad R. Gandhi Rs.78,742 (Previous Year Rs.78,500), Mrs.Kokila H. Gandhi Rs. 118,921 (Previous Year Rs.117,730), Shri Sunil T. Patel Rs.32,942 (Previous Year Rs.32,789), Desai Agri Bio-Tech Pvt.Ltd. Rs.209,458 (Previous Year Rs.NIL)
- e. Rent paid to Shri Veeral P. Desai Rs.NIL (Previous Year Rs.2,000), Mrs. Bhanuben T. Patel Rs.87,000 (Previous Year Rs.60,000), Mrs. Sudhaben I. Patel Rs.132,000 (Previous Year Rs.132,000)
- f. Dividend Paid to Dr.Pradeep K. Desai Rs.NIL (Previous Year Rs. 521,580), Shri Veeral P. Desai Rs.NIL (Previous Year Rs.524,632), Dr.Madhuben T. Patel Rs.NIL (Previous Year Rs.55,960), Ms. Sujata V. Desai Rs.NIL (Previous Year Rs. 101,576), Mrs. Lataben P. Desai Rs.NIL (Previous Year Rs. 717,060), Mrs.Shital S. Kazi Rs.NIL (Previous Year Rs.39,500), Mrs.Tejal V. Desai Rs.NIL (Previous Year Rs.10,000), Shri Prakash K. Desai Rs.NIL (Previous Year Rs. 27,000), Dr.Pradeep K. Desai(HUF) Rs.NIL (Previous Year Rs. 785,300), Shri Sunil T. Patel Rs.NIL (Previous Year Rs. 10,000), Mrs.Sudhaben I. Patel Rs.NIL (Previous Year Rs. 10,000)
- g. Gardening Expense paid to Desai Agri Bio-Tech Pvt. Ltd. Rs.720,000 (Previous Year Rs.NIL).
- h. Sales and Distribution Expenses include amt. Paid to Span Diagnostics SA. (Pty.) Ltd. Rs.2,389,935 (Previous Year Rs.2,055,904).
- i. Royalty paid to Span Diagnostics SARL Rs.1,322,096 (Previous Year Rs. 1,409,064), Span Biotronics Pvt.Ltd Rs.44,370 (Previous Year Rs.NIL)
- j. License Fees from Span Nihon-Kohden Pvt. Ltd. Rs.2,190,000 (Previous Year Rs.21,90,000)
- k. Other Income from Span Biotronics Pvt Ltd Rs. 1,153,566 (Previous Year Rs.342,854) Dividend received from Span Nihon Kohden Pvt.Ltd. Rs.3,600,000 (Previous Year Rs.NIL)
- l. Loan received in the nature of fixed deposit from Dr.Pradeep K.Desai Rs.NIL (Previous Year Rs.1,500,000), Dr.M.T.Patel Rs.800,000 (Previous Year Rs. 267,000), Mrs. Tejal V. Desai Rs.1,300,000 (Previous Year Rs.1,290,000), Mrs.Shital S. Kazi Rs.NIL (Previous Year Rs.200,000)
- m. Loan & Advances in nature of expense reimbursement received during the year include Span Nihon-Kohden Pvt. Ltd. Rs.153,441 (Previous Year Rs.NIL), loan received from Desai Agri Bio-Tech Pvt.Ltd. Rs.2,300,000 (Previous Year Rs.NIL)
- n. Loan & Advances in nature of expense reimbursement given during the year include Span Nihon-Kohden Pvt. Ltd. Rs.125,639 (Previous Year Rs.113,740), Span Biotherapeutics Pvt. Ltd. Rs.NIL (Previous Year Rs.NIL), Span Biotronics Pvt. Ltd. Rs.4,150,567 (Previous Year Rs.9,033,800), Span Diagnostics SA. (Pty.) Ltd. Rs. 1,433,697 (Previous Year Rs.772,681), Quest Biochemicals Pvt. Ltd. Rs.4,438 (Previous Year Rs 21,184)
- o. Purchase of Technology include Span Biotronics Pvt Ltd Rs. 17,611,998 (Previous Year Rs.10,964,000), Span Diagnostics SARL Rs.20,169,576 (Previous Year Rs. 16,528,334)
- p. Purchase of assets include Span Diagnostics SARL Rs.776,719 (Previous Year Rs.NIL)
- q. Purchase of Investment include Span Diagnostics SA. (Pty.) Ltd. Rs.NIL (Previous Year 3,005)

33 INTEREST IN JOINT VENTURES Jointly Controlled Entities

Name of Joint Ventures	Country of Incorporation	Proportion of Ownership (%) as on	
		31-03-13	31-03-12
Joint Venture			
Span Nihon Kohden Diagnostics Pvt. Ltd.	India	45%	45%
Span Diagnostics South Africa (Proprietary) Ltd.	South Africa	46%	46%

Financial interest in jointly controlled entities

Particulars	As at 31-03-13(Unaudited)		As at 31-03-12 (Unaudited)	
	Span Nihon Kohden Diagnostics Pvt. Ltd.	Span Diagnostics South Africa (Proprietary) Ltd.	Span Nihon Kohden Diagnostics Private Ltd.	Span Diagnostics South Africa (Proprietary) Ltd.
Assets	31,855,811	1,580,340	27,966,828	1,301,252
Liabilities	6,179,157	1,633,528	6,476,101	1,628,168
Contingent Liabilities	560,017	Nil	560,017	NIL
Capital Commitments	NIL	Nil	NIL	Nil
Income	26,411,234	1,572,160	22,962,052	120,810
Expenses	14,443,094	1,580,732	11,248,145	450,759
Tax	4,186,898	Nil	4,453,790	Nil

34 FINANCIAL AND DERIVATIVE INSTRUMENTS

Derivative contracts entered into by the Company and outstanding as on March 31, 2013

- (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, 2013 amount to Rs. 10,984,334 (Previous Year Rs. 110,180,885).
- (ii) Foreign currency exposures that are not hedged by derivative instruments as on March 31, 2013 amount to Rs 25,641,742 (net) (Previous Year Rs.22,589,704).

35 The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated February 8 2011 and February 21, 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.

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

INDEPENDENT AUDITORS' REPORT**ON 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"), its subsidiaries and joint ventures (the Company, its subsidiaries and joint ventures constitute "the Group") which comprise the consolidated balance sheet as at March 31, 2013, and 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. 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 statements of Span Diagnostics Limited, its subsidiaries 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 consideration of the reports of the other auditors on the financial statements of the subsidiary and management accounts of 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, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit 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.

INDEPENDENT AUDITORS' REPORT**Other Matter**

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (net) of Rs. 100,000 as at March 31, 2013, total revenues is NIL and net cash outflows amounting to Rs 12,500 for the year then ended. This financial statement has been audited by other auditor whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditor. Our opinion is not qualified in respect of this matter.

We did not audit the financial statements of two joint venture, whose financial statements reflect total assets (net) of Rs. 25,623,466 as at March 31, 2013, total revenues is Rs. 27,983,394 and net cash outflows amounting to Rs. 7,683,404 for the year then ended. As stated in note no. 29 to the consolidated financial statements, these financial statements and other financial information are certified by respective Company's management and are not audited by their auditors, and our opinion is based solely on the certified financial statements and other financial information provided by the respective Company's management. Our opinion is not qualified in respect of this matter.

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

Prashant Maharishi
Partner
Membership No.41452

Place : Surat
Date : May 15, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

	Note	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	72,760,000	72,760,000
Reserves & Surplus	3	217,823,854	218,259,050
		<u>290,583,854</u>	<u>291,019,050</u>
Minority Interest		260,418	178,433
Non Current Liabilities			
Long Term Borrowings	4	138,127,517	103,354,923
Deferred Tax Liabilities (Net)	5	32,829,183	25,068,517
Long Term Provisions	6	7,008,782	6,009,557
		<u>177,965,482</u>	<u>134,432,997</u>
Current Liabilities			
Short Term Borrowings	7	190,085,802	50,186,739
Trade Payables	8	51,165,584	62,797,264
Other Current Liabilities	9	156,889,254	120,731,578
Short Term Provisions	10	23,870,456	12,458,025
		<u>422,011,096</u>	<u>346,173,606</u>
TOTAL		<u>890,820,850</u>	<u>771,804,086</u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	297,283,661	179,109,007
Intangible Assets	11	69,168,712	50,232,740
Capital Work-in-Progress	11	21,648,823	73,195,386
Intangible Assets under Development	11	48,318,695	47,555,847
Non Current Investments	12	2,000	2,000
Long term Loans and Advances	13	41,381,043	29,684,724
Other Non Current Assets	14	7,023,947	7,840,543
		<u>484,826,881</u>	<u>387,620,247</u>
Current Assets			
Inventories	15	142,587,211	169,169,914
Trade Receivables	16	200,269,689	133,387,127
Cash and Cash Equivalents	17	36,893,793	34,787,122
Short term Loans and Advances	18	26,243,276	46,839,676
		<u>405,993,969</u>	<u>384,183,839</u>
TOTAL		<u>890,820,850</u>	<u>771,804,086</u>
Summary of Significant Accounting Policies	1		
Notes on Financial Statements	1 to 37		
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
FRN No. 103523W

Prashant Maharishi
 Partner
 Membership No. 41452

Place : Surat
 Date : May 15, 2013

For and on behalf of the Board of Directors

Veeral P. Desai *Managing Director*

Dr. Pradip K. Desai *Executive Director*

Mitesh G. Rana *Company Secretary*

Place : Surat
 Date : May 15, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note	2012-13 Rs.	2011-12 Rs.
INCOME			
Revenue from Operations	19	814,931,134	605,212,594
Other Income	20	10,043,548	9,877,034
Total Revenue		<u>824,974,682</u>	<u>615,089,628</u>
EXPENSES			
Cost of Materials Consumed	21	268,228,531	202,685,869
Purchase of Stock-in-Trade		28,323,215	37,087,526
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	16,049,410	(8,705,473)
Employee Benefits Expense	23	165,586,657	138,815,123
Finance Costs	24	37,788,255	25,252,358
Depreciation and Amortisation Expense		31,213,668	27,781,176
Other Expenses	25	260,995,744	193,752,399
Total Expenses		<u>808,185,480</u>	<u>616,668,978</u>
PROFIT BEFORE EXCEPTIONAL ITEMS & TAX		16,789,202	(1,579,350)
Add : Exceptional Items	26	0	29,072,127
PROFIT BEFORE TAX		16,789,202	27,492,777
Tax Expenses		(8,541,600)	(9,607,800)
MAT Credit Entitlement/(Utilisation)		2,590,000	4,945,000
Deferred Tax		(7,760,666)	(12,433,734)
Tax adjustment of earlier year		250,249	1,088
PROFIT AFTER TAX BEFORE MINORITY INTEREST		3,327,185	10,397,331
Less : Minority Interest		210,318	75,261
PROFIT AFTER TAX & MINORITY INTEREST		<u>3,116,867</u>	<u>10,322,070</u>
Earning per equity share – Basic & Diluted (Rs.) (Nominal Value per share of Rs.10/- each (Previous year - Rs.10/- each))	27	0.43	1.42
Summary of Significant Accounting Policies	1		
Notes on Financial Statements	1 to 37		
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
FRN No. 103523W

Prashant Maharishi
Partner
Membership No. 41452

Place : Surat
Date : May 15, 2013

For and on behalf of the Board of Directors

Veeral P. Desai *Managing Director*
Dr. Pradip K. Desai *Executive Director*
Mitesh G. Rana *Company Secretary*

Place : Surat
Date : May 15, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	2012-13 Rs.	2011-12 Rs.
A CASH FLOW FROM THE OPERATING ACTIVITIES		
PROFIT BEFORE TAX	17,039,451	27,492,777
Depreciation and Amortization	31,213,668	27,781,176
Deferred Revenue Expenses	0	0
Investment Income	(3,224,113)	(3,408,792)
Interest Charged	37,788,255	25,252,358
Loss on Discarded Assets	0	0
Loss/(Profit) on sales of fixed assets (Net)	(21,251)	(35,385)
Operating Profit before working capital changes	82,796,010	77082134
Adjusted for changes in		
Trade and Other Receivables	(52,410,882)	(75,777,496)
Inventories	26,582,703	(18,381,635)
Trade Payables and other liabilities	26,483,404	16,882,549
Cash generated from operations	83,451,237	(194,448)
Less : Direct taxes paid during the year	11,378,047	16,805,442
Cash flow before Extra-ordinary items	72,073,190	(16,999,890)
Prior period adjustments	0	1,088
NET CASH FLOW FROM OPERATING ACTIVITIES	72,073,190	(16,998,802)
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition in Fixed Assets and Capital Work in Process	(117,107,648)	(109,437,276)
Proceeds from Sales of Fixed Assets	189,373	2,772,102
Proceeds from Sales of Investment	0	0
Interest received	3,224,113	3,408,792
NET CASH USED IN INVESTING ACTIVITIES	(113,694,162)	(103,256,382)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	0	0
(Repayment)/Proceeds(of)/ from Borrowings	85,273,449	94,652,974
Interest paid	(37,788,255)	(25,252,358)
Dividend & Corporate Dividend Tax paid	(4,375,721)	(8,452,369)
NET CASH FLOW FROM FINANCING ACTIVITIES	43,109,473	60,948,247
NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)	1,488,501	(59,306,937)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	38,132,428	97,439,365
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	39,620,929	38,132,428

As per our Report of even date :

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

Prashant Maharishi
Partner
Membership No. 41452

Place : Surat
Date : May 15, 2013

For and on behalf of the Board of Directors

Veeral P. Desai *Managing Director*

Dr. Pradip K. Desai *Executive Director*

Mitesh G. Rana *Company Secretary*

Place : Surat
Date : May 15, 2013

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

i) Basis of Accounting.

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) require 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 recognised in the period in which the results are known /materialised.

iii) Principal of Consolidation.

- a) 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”.
- b) 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”
- c) 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.
- d) 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.
- e) 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
- f) 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) Employee Benefits

- a) Contributions are made towards Provident Fund, Employee State Insurance scheme and Super-annuation Fund, which are defined contribution scheme. Liability in respect thereof is determined on the basis of contribution as required under the statute/rules
- b) Gratuity liability, a defined benefit scheme and provision for leave encashment is accrued and provided for on the basis of actuarial valuations made at the year end. However, 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.

v) 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.

vi) Other Significant Accounting Policies :

These are set out under “Significant Accounting Policies” as given in stand alone financial statements of Span Diagnostics Ltd.

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

	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
2 SHARE CAPITAL		
Authorised		
15,000,000 Equity Shares of Rs. 10/- each. (Previous year 15,000,000)	150,000,000	150,000,000
Issued, Subscribed and paid-up		
7,276,000 (Previous year 7,276,000) Equity Shares of Rs.10/- each fully paid up	72,760,000	72,760,000
	<u>72,760,000</u>	<u>72,760,000</u>

2.1 Of the above 3,638,000 Equity shares of Rs.10/- each have been allotted as fully paid-up bonus shares in year 2010-11 by capitalising Rs.36,380,000 out of Securities premium.

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

Name of Shareholder	As at 31-03-2013		As at 31-03-2012	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Pradipkumar Keshavlal Desai	1,306,480	17.96	1,306,480	17.96
Lataben P. Desai	717,060	9.86	717,060	9.86
Natvarlal Shivabhai Patel	554,920	7.63	554,920	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 31-03-2013 No. of Shares	As at 31-03-2012 No of Shares
Equity Shares outstanding at the beginning of the year	7,276,000	7,276,000
Add: Shares Issued during the year	--	--
Less : Shares bought back during the year.	--	--
Equity Shares outstanding at the end of the year.	7,276,000	7,276,000

2.4 There was no increase in Capital during the current year. However, during the year 2010-11, 165,250 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. 6,605,042/-. Further 3,638,000 equity shares of Rs 10 each were issued in the year 2010-11 as bonus shares in ratio of 1:1 by capitalising securities premium which in aggregate amounts to Rs 36,380,000/-

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

5	DEFERRED TAX LIABILITIES (Net)	As at 31-03-2013	As at 31-03-2012
		Rs.	Rs.
	Deferred Tax Liability		
	Difference between Depreciable Assets as per books of accounts and written down value for tax purpose	25,031,663	18,979,670
	Others (Gratuity)	1,259,497	--
	Deferred Revenue Exp. (CWIP-R&D)	10,540,159	9,473,438
		<u>36,831,319</u>	<u>28,453,108</u>
	Deferred Tax Assets		
	Disallowance U/S 43B	2,138,169	2,120,845
	a) Provision for leave encashment	582,280	132,669
	b) Provision for bad/doubtful debts	1,167,034	1,114,566
	c) Provision for bonus	114,653	16,511
	d) Others	4,002,136	3,384,591
		<u>32,829,183</u>	<u>25,068,517</u>
	Net Deferred Tax Liability		
6	LONG TERM PROVISIONS :	As at 31-03-2013	As at 31-03-2012
		Rs.	Rs.
		Non Current	Current
		Non Current	Current
	Leave Encashment (Unfunded)*	4,127,551	2,395,931
	Interest accrued but not due on borrowings	2,881,231	1,682,194
		<u>7,008,782</u>	<u>4,078,125</u>
		<u>6,009,557</u>	<u>3,869,881</u>
	*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	31-03-2013	31-03-2012
		Rs.	Rs.
	Working Capital Loans from Banks	187,785,802	150,186,739
	UNSECURED		
	Loans and Advances from Related Parties (Refer Note No. 34)	2,300,000	--
		<u>190,085,802</u>	<u>150,186,739</u>
7.1	Working Capital Loan are secured by hypothecation of Current Assets and collaterally secured by the personal guarantees of promoter Directors, equitable mortgage of some of the immovable properties of the Company . The Interest rate in INR portion varies from 13.5% to 14.5%. Short Term Loan from Related party is at 12%.		
8.	TRADE PAYABLES	As at 31-03-2013	As at 31-03-2012
		Rs.	Rs.
	Micro. Small and Medium Enterprises	0	2,635,409
	Others	51,165,584	60,161,855
		<u>51,165,584</u>	<u>62,797,264</u>
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 31-03-2013	As at 31-03-2012
		Rs.	Rs.
	Current maturities of long term debt (Refer Note No. 4)	37,762,114	27,160,322
	Interest accrued but not due on borrowings	1,682,194	1,762,377
	Creditors for Capital Expenditure	11,936,971	3,549,767
	Forward Contract Payable (Net of receivable)	811,668	1,004,733
	Income received in advance	1,208,998	932,491
	Unclaimed Dividend #	475,599	659,597
	Statutory Dues	10,591,696	9,824,413
	Security Deposits*	19,842,957	19,036,549
	Advance from Customers	16,203,359	20,193,111
	Other Payable @	56,373,698	36,608,218
		<u>156,889,254</u>	<u>120,731,578</u>

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 275,000 (Previous Year 275,000)

@ Includes Rs 99,18,458 (Previous Year 46,42,567) payable to Related Parties (Refer Note No 34)

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

10	SHORT TERM PROVISIONS :	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	Provision for Employees Benefits	3,835,499	3,814,245
	Proposed Dividend	3,638,000	3,600,000
	Tax on Dividend	590,175	591,723
	Provision for Current Obligation of Leave Encashment (Refer note 6)	2,395,931	2,107,504
	Other Provisions*	13,410,851	2,344,553
		23,870,456	12,458,025

* Includes provision for warranty of Rs 515,645 (Previous Year 946,596) 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 01-04-2012 Rs	Additions Rs	Deduction/ Adjustment Rs.	As at 31-03-2013 Rs	As at 01-04-2012 Rs	For the Year Rs.	Deductions/ Adjustment Rs.	As at 31-03-2013 Rs.	As at 31-03-2013 Rs	As at 31-03-2012 Rs
	Tangible Assets										
1	Leasehold Land	11,538,900			11,538,900	0				11,538,900	11,538,900
2	Free hold Land	798,300			798,300	0				798,300	798,300
3	Buildings & Roads	112,826,705	48,640,542		161,467,247	43,411,754	4,188,416		47,600,170	113,867,077	69,414,951
4	Plant & Machineries	104,331,279	56,437,425		160,768,704	52,066,598	8,562,105		60,628,703	100,140,001	52,264,681
5	Electrical Installations	14,148,640	8,678,430	22,472	22,804,598	8,690,567	962,151		9,652,718	13,151,880	5,458,073
6	Cold Rooms/Storages	10,489,440	3,517,454		14,006,894	5,151,604	771,965		5,923,569	8,083,325	5,337,836
7	Loose Tools, Moulds, Utilities and other Equipments	20,924,116	3,660,487	6,975	24,577,628	13,119,491	2,917,082	1,598	16,034,975	8,542,653	7,804,625
8	Laboratory Equipments	10,512,290	3,904,201		14,416,491	5,280,551	757,494		6,038,045	8,378,446	5,231,739
9	R & D Equipments	11,686,157	832,102		12,518,259	4,263,634	1,055,893		5,319,527	7,198,731	7,422,522
10	Furniture & Fixtures	18,938,263	12,707,069		31,645,332	11,712,416	1,562,808		13,275,224	18,370,108	7,225,847
11	Computers	10,023,095	1,247,406	139,200	11,131,301	8,486,694	749,471	138,024	9,098,141	2,033,160	1,536,401
12	Office Equipments	4,195,374	499,149		4,694,523	2,935,638	220,997		3,156,635	1,537,888	1,259,736
13	Vehicles	9,085,563	1,110,984	552,111	9,644,436	5,270,167	1,144,091	413,014	6,001,244	3,643,192	3,815,396
	Total (A)	339,498,121	141,235,249	720,758	480,012,611	160,389,114	22,892,473	552,636	182,728,951	297,283,661	179,109,007
	Intangible Assets										
1	Goodwill	1,107,891	0		1,107,891	322,120			322,120	785,771	785,771
2	Technical Know how	61,208,083	24,716,217		85,924,300	13,941,392	6,523,087		20,464,479	65,459,821	47,266,692
3	Software	8,555,568	2,540,950		11,096,518	6,375,290	1,798,108		8,173,398	2,923,120	2,180,278
	Total (B)	70,871,542	27,257,167	0	98,128,709	20,638,802	8,321,195		28,959,997	69,168,712	50,232,740
	Total (A+B)	410,369,664	168,492,416	720,758	578,141,320	181,027,916	31,213,668	552,636	211,688,948	366,452,373	229,341,747
	Previous Year	357,929,931	58,919,770	6,480,037	410,369,663	156,990,060	27,781,175	3,743,319	181,027,916	229,341,747	200,939,869
	Capital Work-in-Progress									21,648,823	73,195,386
	Intangible Assets under Development									48,318,695	47,555,847

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.3,396,672 has been capitalized during the year (Previous year Rs. 1,393,088).

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 31-03-2013 Rs.	As at 31-03-2012 Rs.
	2,000	2,000
	2,000	2,000

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

13	LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	Capital Advances	18,812,791	14,845,554
	Loans and Advances to Related Parties (Refer Note No. 34)	774,196	0
	Advance Income Tax (Net of Provision)	14,597,875	9,171,428
	Security Deposits	7,196,181	5,667,742
		<u>41,381,043</u>	<u>29,684,724</u>
14	OTHER NON CURRENT ASSETS	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	Advance to Gratuity Trust	3,972,253	4,478,035
	Term Deposit maturing after 1 year*	2,727,136	3,345,306
	Other	324,558	17,202
	*Includes earmarked deposit of Rs. 2,670,136 (Previous year Rs. 3,165,497)	<u>7,023,947</u>	<u>7,840,543</u>
15	INVENTORIES (As per inventory taken, valued and certified by the Management)	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	Raw Materials	39,063,952	40,486,444
	Raw Materials in Transit	0	464,224
	Packing Materials	19,746,601	25,355,347
	Packing Materials in Transit	1,586,011	4,765,982
	Consumable Stores	9,990,595	7,180,859
	Consumable Stores in Transit	0	221,983
	Work-in-Process	9,447,940	9,773,039
	Semi-Finished	11,458,618	13,140,506
	Finished Goods	36,960,000	47,966,636
	Stock in Trade	14,333,494	19,814,894
		<u>142,587,211</u>	<u>169,169,914</u>
16	TRADE RECEIVABLES Unsecured	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	Exceeding six months		
	Considered Good	12,866,937	17,889,526
	Considered Doubtful	1,794,668	408,903
	Less : Provision for Doubtful Debts	1,794,668	408,903
		<u>12,866,937</u>	<u>17,889,526</u>
	Other - Considered Good *#	187,402,752	115,497,601
		<u>200,269,689</u>	<u>133,387,127</u>
	* Trade receivable includes debt due by the Private Company in which director is a member of Rs 158,059 (Previous Year Rs 122,523)		
	# Includes trade receivable from related parties of Rs Nil (Previous Year 282,953) (Refer Note No 34)		
17	CASH AND CASH EQUIVALENTS	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	Bank Balances with Banks :		
	In Current Accounts*	17,373,417	21,768,802
	In Fixed Deposits Accounts #	19,241,551	12,822,924
	Cash on Hand	278,825	195,396
		<u>36,893,793</u>	<u>34,787,122</u>

* Includes Earmarked Balances of Rs 522,177 (Previous Year Rs.685,231) in respect of Project and Unpaid Dividend.

Includes deposits of Rs.3,122,561 (Previous Year Rs.1,888,721) held as margin money deposits against guarantees.

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

18	SHORT TERM LOANS AND ADVANCES	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	Unsecured and considered good		
	Loans and Advances to Related Parties (Refer Note No. 34)	477,111	444,688
	Balance with Statutory Authorities	6,394,527	6,613,930
	Security Deposits	704,735	762,735
	Advance to Sundry Creditors	11,126,852	14,182,164
	Prepaid Expenses	5,734,536	20,853,040
	Deferred Forward Premium	89,512	2,007,180
	Others #	1,716,003	1,975,939
		<u>26,243,276</u>	<u>46,839,676</u>
	# Includes Loan to the Employees of Rs 497,500 (Previous Year 518,500)		
19	REVENUE FROM OPERATIONS	2012-13 Rs.	2011-12 Rs.
	Sales of Products	822,088,942	604,906,376
	Sales of Services (net of service tax)	3,101,944	7,860,620
		<u>825,190,886</u>	<u>612,766,996</u>
	Less : Excise Duty recovered on Sales	10,259,752	7,554,402
		<u>814,931,134</u>	<u>605,212,594</u>
20	OTHER INCOME	2012-13 Rs.	2011-12 Rs.
	Interest Income	3,224,113	3,408,792
	Profit on Sale of Assets	21,251	35,385
	Leave and Licence Fees Income	1,204,500	1,330,500
	Export Incentive	119,439	258,070
	Dividend Income	3,600,000	-
	Other Non Operating Income*	1,874,245	4,844,287
		<u>10,043,548</u>	<u>9,877,034</u>
	* Other Non Operating Income includes Excise Duty Refund of Rs Nil (Previous Year 1,195,478), Exchange rate difference gain of Rs Nil (Previous Year 158,090)		
21	COST OF MATERIALS CONSUMED	2012-13 Rs.	2011-12 Rs.
	Raw Materials Consumed	139,295,587	120,783,216
	Packing Materials Consumed	128,932,944	81,902,653
		<u>268,228,531</u>	<u>202,685,869</u>

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

22	CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE	2012-13 Rs.	2011-12 Rs.
	Closing Stock		
	Work-in-Process	9,447,940	9,773,039
	Semi-Finished	11,458,618	13,140,506
	Finished Goods	36,960,000	47,966,635
	Stock-in-Trade	14,333,494	19,814,894
		<u>72,200,052</u>	<u>90,695,074</u>
	Less : Excise Duty	3,157,033	5,602,645
		<u>69,043,019</u>	<u>85,092,429</u>
	Opening Stock		
	Work-in-Process	9,773,039	4,987,002
	Semi-Finished	13,140,506	14,153,844
	Finished Goods	47,966,635	39,766,772
	Stock-in-Trade	19,814,894	21,789,598
		<u>90,695,074</u>	<u>80,697,216</u>
	Less : Excise Duty	5,602,645	4,310,260
		<u>85,092,429</u>	<u>76,386,956</u>
		<u>16,049,410</u>	<u>(8,705,473)</u>
23	EMPLOYEE BENEFITS EXPENSES	2012-13 Rs.	2011-12 Rs.
	Salaries, Wages, Benefies and other allowances (including Directors' Remuneration)	148,669,331	124,535,163
	Contribution to Provident and other funds	11,514,687	9,614,075
	Staff Welfare Expenses	5,402,639	4,665,885
		<u>165,586,657</u>	<u>138,815,123</u>
24	FINANCE COSTS :	2012-13 Rs.	2011-12 Rs.
	Interest Expenses*	33,488,759	19,660,692
	Other Borrowing Costs #	4,299,496	5,591,666
		<u>37,788,255</u>	<u>25,252,358</u>
	* Include interest paid to Related Parties on fixed deposits Rs.1,144,899 (Previous Year Rs.789,147) # Relates Forward Premium Expense of Rs 25,45,968 (Previous Year Rs 49,80,115)		
25	OTHER EXPENSES	2012-13 Rs.	2011-12 Rs.
	Manufacturing Expenses		
	Processing Charges	24,658,439	16,233,762
	Laboratory Expenses	2,376,153	2,026,554
	Power and Fuel	20,595,330	13,427,710
	Stores Consumed	18,021,471	19,200,808
	Excise duty paid	7,531,401	6,627,046
	Repairs to Building	188,583	184,780
	Repairs to Plant & Machineries	1,214,489	819,261
	Research & Development Expenses	16,009,970	13,059,944
	Other Manufacturing Expenses	894,004	779,862
		<u>91,489,840</u>	<u>72,359,727</u>

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

	2012-13 Rs.	2011-12 Rs.
Selling & Distribution Expenses		
Liquidated Damage	12,592,289	2,825,563
Royalty	8,003,567	3,927,202
Target Discount	2,682,270	2,376,570
Freight Outward Expenses.	33,158,493	24,617,089
Sales Commission	34,789,510	13,183,013
Travelling and Conveyance (Marketing)	18,238,651	17,120,887
Sales Promotion Expense	6,076,847	6,486,888
Provision for Doubtful Debts	1,397,683	11,818
Other Selling & Distribution Expenses	686,366	2,400,555
	<u>117,625,676</u>	<u>72,949,585</u>
Administration and Other Expenses		
Communication Expenses	5,296,413	4,608,827
Printing and Stationery	831,108	1,168,450
Travelling and Conveyance (Others)	10,281,198	8,489,692
Directors' Sitting Fees & Allowances	205,000	250,000
Rates & Taxes	1,120,847	1,201,718
Insurance Charges	1,425,050	1,331,625
Rent	2,241,506	1,597,500
Payment to Auditors	856,277	751,224
Legal & Professional Charges	9,010,203	10,643,786
Electricity Charges	1,781,265	1,619,750
House Keeping Expenses	2,281,298	1,506,505
Exchange Rate Loss/ (Gain)	393,955	0
Security Charges	1,593,599	1,193,878
Other Expenses	14,562,509	14,080,132
	<u>51,880,228</u>	<u>48,443,087</u>
	<u>260,995,744</u>	<u>193,752,399</u>

26 EXCEPTIONAL ITEMS

In current year there are no exceptional items. However in previous year, considering overall strategy of the Company and to focus on core diagnostic reagent manufacturing business of the Company and to obtain optimum price, the Company decided to hive off its Hematology business by way of business asset transfer including inventory, goodwill, etc. to M/s. Nihon Kohden India Private Limited, a subsidiary of Nihon Kohden Corporation, Japan subject to terms and condition mutually decided and as set out in the agreement. The Company has recorded Rs 29,072,127 in Previous year on account of transfer of goodwill in light of this transactions.

27 EARNING PER SHARE

	2012-13 Rs.	2011-12 Rs.
Profit after taxation as per Profit and Loss account net of Prior period adjustment (after adjusting Monetary Interest)	3,116,867	10,322,070
weighted average number of equity shares outstanding	7276000	7276000
Basic and Diluted Earning per shares (face value - Rs. 10 per share)	<u>0.43</u>	<u>1.42</u>

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%
Span Biotherapeutics Pvt. Ltd.	India	99.90%

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.

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

- 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 31-03-2013	As on 31-03-2012	As on 31-03-2013	As on 31-03-2012
Assets :				
Fixed Asset	3,414,084	3,394,123	785,771	785,771
Non Current Asset	88,384	190,094	188,958	99,991
Deferred Tax	422,149	194,484	Nil	Nil
Current Asset	27,706,195	23,856,747	262,389	415,491
Liabilities :				
Long Term Borrowing	Nil	Nil	619,546	888,170
Current Liabilities & Provisions	6,174,932	6,364,606	90,424	180,985
Income	22,934,200	19,485,017	356,050	14
Expenses	13,457,595	10,262,645	1,580,732	293,075

31 **CONTINGENT LIABILITIES AND COMMITMENTS**

A. Contingent Liabilities

Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
a) Sales tax: Demands under contest (Net of Tax) C-Form Pending	406,103 1,438,922	406,103 752,563
b) Income tax Demands under dispute	21,607,889	21,607,889
c) Claims against the Company not acknowledged as Debts	4,487,971	6,338,418
d) On account of guarantees given by the bank on behalf of the company in favour of customs and others. .	48,160,197	42,200,736
e) The Company has imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India at concessional rates of customs duty by undertaking obligations to export, Future outstanding export obligations under the Scheme as on 31-03-2013 aggregating of US\$ 10946 if not fulfilled may result in custom duty liability of (Net of tax)	--	70,090
f) 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 31-03-2013, which if not fulfilled may result in custom duty liability of (Net of tax)	49,315	201,165

B. Capital Commitments

Particulars	As at 31-3-2013 Rs.	As at 31-3-2012 Rs.
Estimated amount of contracts (Net of advances) remaining to be executed on Capital Account and not provided for	5,617,753	59,500,436

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

	2012-13(Rs.)	2012-13(Rs.)
Rent paid under this agreement	2,182,450	1,597,500

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 -(Holding 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

(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

(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

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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
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	Nil			
	282,953			
Purchase:				
Goods and Material	9,743			194,578
	5,475,357			916,796
Expenses :				
Remuneration/sitting Fees		19,050,674		
		13,501,220		
Interest on F.D./Loan		396,975	538,466	209,458
		448,635	340,512	Nil
Rent paid	59,056	Nil	219,000	
	Nil	2,000	192,000	
Dividend Paid	Nil	Nil	Nil	
	1,980,000	1,203,748	1,598,860	
Garden Expense				720,000
				Nil
Selling & Marketing Expense	1,290,565			
	1,932,412			
Royalty Paid	749,233			1,322,096
	660,804			1,409,064
Income :				
License Fees	1,204,500			
	1,204,500			
Capital Items :				
Loan & Advances received	84,393	800,000	1,300,000	2,300,000
	Nil	1,767,000	1,490,000	Nil
Loan & Advances given	902,785			4,438
	539,761			21,184
Purchase of Technology				20,169,576
				16,528,334
Purchase of Asset				776,719
				Nil
Balance as at 31st March, 2013				
Trade Receivables	NIL			
	231,264			
Loans & Advances	1,230,123			21,184
	423,504			21,184
Deposits	275,000	3,865,000	5,088,000	2,300,000
	275,000	2,902,000	3,788,000	Nil
Trade and Other Payables				8,940,095
				3,681,633

Figures of Previous Year are represented in Italic Form.

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

Disclosures in Respect of Material Related Party Transaction During the Year :

- a. Sales of the goods & Material includes sales to Span Diagnostics SA (Pty.) Ltd. Rs. NIL (Previous year Rs.282,953).
- b. Purchases/material consumed from Span Nihon-Kohden Diagnostics Pvt. Ltd. Rs.NIL (Previous Year Rs.5,471,691),Span Diagnostics SARL Rs.177,250(Previous Year Rs.900,261),Quest Biochemicals Pvt. Ltd. Rs.17,328 (Previous Year Rs 16,535),Nihon Kohden Corporation, Japan Rs.9,743 (Previous year Rs.3,666).
- c. Payment to Key Management Personnel include to Dr.Pradeep K. Desai Rs.8,776,000 (Previous Year 4,425,120), Shri Veeral P. Desai Rs.4,403,800 (Previous Year Rs.4,403,800), Dr. Madhu T. Patel Rs.2,352,350 (Previous Year Rs.2,352,350), Ms. Sujata V. Desai Rs.3,518,524 (Previous Year Rs.2,319,950).
- d. Interest on F.D./Loan includes Dr. M. T. Patel Rs.385,975 (Previous Year Rs.307,691), Ms.Sujata V Desai Rs.11,000 (Previous Year Rs.11,000), Dr. Pradeep K. Desai Rs.NIL (Previous Year Rs.129,944), Mrs. Shital S. Kazi Rs.23,000 (Previous Year Rs.8,044), Mrs. Tejal V. Desai Rs.284,861 (Previous Year Rs.103,449), Dr.Pradeep K.Desai (HUF) Rs. NIL (Previous Year Rs.NIL), Dr. Harshad R. Gandhi Rs.78,742 (Previous Year Rs.78,500), Mrs.Kokila H. Gnadhi Rs. 118,921 (Previous Year Rs.117,730), Shri Sunil T. Patel Rs.32,942 (Previous Year Rs.32,789), Deai Agri bio-tech Pvt.Ltd. Rs.209,458 (Previous Year Rs.NIL).
- e. Rent paid to Shri Veeral P. Desai Rs.NIL (Previous Year Rs.2,000), Mrs. Bhanuben T. Patel Rs.87,000 (Previous Year Rs.60,000), Mrs. Sudhaben I. Patel Rs.132,000 (Previous Year Rs. 132,000),Reindus (Proprietary) Limited ,South Africa Rs.59,056 (Previous Year NIL).
- f. Dividend Paid to Dr.Pradeep K. Desai Rs.NIL (Previous Year Rs. 521,580), Shri Veeral P. Desai Rs.NIL (Previous Year Rs.524,632), Dr.Madhuben T. Patel Rs.NIL (Previous Year Rs.55,960), Ms. Sujata V. Desai Rs.NIL (Previous Year Rs. 101,576), Mrs. Lataben P. Desai Rs.NIL (Previous Year Rs. 717,060), Mrs.Shital S. Kazi Rs.NIL (Previous Year Rs.39,500), Mrs.Tejal V. Desai Rs.NIL (Previous Year Rs.10,000), Shri Prakash K. Desai Rs.NIL (Previous Year Rs. 27,000), Dr.Pradeep K. Desai(HUF) Rs.NIL (Previous Year Rs. 785,300), Shri Sunil T. Patel Rs.NIL (Previous Year Rs. 10,000), Mrs.Sudhaben I. Patel Rs.NIL (Previous Year Rs. 10,000).
- g. Gardening Expense paid to Deai Agri bio-tech Pvt.Ltd. Rs.720,000 (Previous Year Rs.NIL).
- h. Sales and Distribution Expenses include to Span Diagnostics SA. (Pty.) Ltd .Rs.1,290,565 (Previous Year Rs.1,932,412).
- i. Royalty paid includes amt. paid to Span Diagnostics SARL Rs.1,322,096 (Previous Year Rs. 1,409,064), Nihon Kohden Corporation, Japan Rs.749,233 (Previous Year Rs.660,804).
- i. License Fees from Span Nihon-Kohden Pvt. Ltd. Rs.1,204,500 (Previous Year Rs.1,204,500).
- k. Loan received in the nature of fixed deposit from Dr.Pradeep K.Desai Rs.NIL (Previous Year Rs.1,500,000), Dr.M.T.Patel Rs.800,000 (Previous Year Rs. 267,000), Ms. Sujata V. Desai Rs.NIL (Previous Year Rs.NIL), Mrs. Tejal V. Desai Rs.1,300,000 (Previous Year Rs.1,290,000), Mrs.Shital S. Kazi Rs.NIL (Previous Year Rs.200,000).
- l. Loan & Advances in nature of expense reimbursement received during the year include Span Nihon-Kohden Pvt. Ltd. Rs.84,393 (Previous Year Rs.NIL), loan received from Desai Agri Bio-tech Pvt.Ltd. Rs.2,300,000 (Previous Year Rs.NIL).
- m. Loan & Advances in nature of expense reimbursement given during the year include Span Nihon-Kohden Pvt. Ltd. Rs.69,102 (Previous Year Rs. NIL), Span Diagnostics SA. (Pty.) Ltd. Rs. 774,196 (Previous Year Rs.417,248),Quest Biochemicals Pvt. Ltd. Rs.4,438 (Previous Year Rs 21,184),Nihon Kohden Corporation, Japan Rs.59,487(Previous Year Rs.122,513) .
- n. Purchase of Technology include Span Diagnostics SARL Rs.20,169,576 (Previous Year Rs. 16,528,334).
- o. Purchase of assets include purchase from Span Diagnostics SARL Rs.776,719 (Previous Year Rs.NIL).
- p. Dividend paid includes dividend paid to Nihon Kohden Corporation, Japan Rs. Nil (Previous Year Rs.1,980,000).

35 FINANCIAL AND DERIVATIVE INSTRUMENTS

Derivative contracts entered into by the Company and outstanding as on March 31, 2013

- (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, 2013 amount to Rs. 10,984,334 (Previous Year Rs. 110,180,885)
- (ii) Foreign currency exposures that are not hedged by derivative instruments as on 31st March, 2013 amount to Rs 25,641,742 (net) (Previous Year Rs.22,589,704)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
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	
	2012-13	2011-12	2012-13	2011-12
Year	2012-13	2011-12	2012-13	2011-12
Reporting Currency	INR	INR	INR	INR
Country of Incorporation	INDIA	INDIA	INDIA	INDIA
Share Capital	1,550,000	1,550,000	100,000	100,000
Reserves & Surplus	7,114,492	2,696,053	Nil	Nil
Total Assets	22,508,709	15,182,395	117,500	115,000
Total Liabilities	13,844,217	10,936,342	17,500	15,000
Investments	NIL	NIL	NIL	NIL
Turnover / Total Income	17,524,259	10,964,000	NIL	NIL
Profit / (Loss) before Taxation	6,192,075	2,342,326	NIL	NIL
Provisions for Taxation	1,773,637	761,207	NIL	NIL
Profit / (Loss) after Taxation	4,418,438	1,581,120	NIL	NIL
Proposed Dividend	NIL	NIL	NIL	NIL

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



SPAN DIAGNOSTICS LIMITED

Dear Sir,

Re: Folio No. / DP / Client ID No. (s):

PAYMENT OF DIVIDEND

I/We request you to kindly print on the Dividend Warrant dispatched to me/us particulars of bank account as under:

Name of Bank:

Name of Branch:

Account No. :

PAN GIR No:

I/We undertake to intimate to the Company any change in the above particulars.

Name & Address of Shareholder:

.....

.....

.....

.....

.....

1.

2.

3.

(Signature of Sole/First Shareholder of Authorised signatories as per specimen registered with the Company)

01	Name of Shareholder (In Block Letters)	
02	Folio No. (If not dematerialized)	
	a) DP ID No.	
	b) Client ID No. (If dematerialized)	
03	No. of Shares	
04	Bank Name	
05	Branch name & City (PIN Code)	
06	Account number (as appearing on Cheque Number)	
07	Ledger Folio No of the Account (If appearing on Cheque Book)	
08	Account Type (Please tick)	Saving Bank () Current () Cash Credit ()
09	9 Digit Code Number of the Bank & Branch appearing on the MICR Cheque issued by the Bank (Please attach photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the code number.)	

I agree to avail of the Electronic Clearing Service introduced by RBI with respect to payment of dividend to me.

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons beyond the control of the Company, I would not hold Span Diagnostics Limited responsible.

.....
Signature of the Sole / First Shareholder

SPAN DIAGNOSTICS LIMITED

Regd. Office : 173-B, New Industrial Estate, Udhna Udyognagar, Udhna- 394 210. Surat.

Attendance Slip

Name of member : _____
(In Block Letters)

Reg. Folio No./DP/ Client ID No. (S) : _____

I hereby record my presence at the 33rd ANNUAL GENERAL MEETING at Plot No. 173 B, New Industrial Estate, Road No. 6 – G, Udhna Udyognagar, UDHNA, Surat – 394 210 at 10:30 a:m on Saturday, the 27th July, 2013

SIGNATURE OF THE ATTENDING MEMBER / PROXY.

Note : 1. A Shareholder / Proxy-holder wishing to attend the meeting must bring the Attendance slip to the meeting and hand over the same duly signed at the entrance.

2. A Shareholder / Proxy-holder wishing to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

Tear here

SPAN DIAGNOSTICS LIMITED

Regd. Office : 173-B, New Industrial Estate, Udhna Udyognagar, Udhna- 394 210. Surat.

Proxy

I/We _____
Of _____ being
a Member / Members of the above-named Company, hereby appoint _____
_____ of _____
or failing him _____ of _____

as my / our Proxy to attend and vote for me / us on my / our behalf at the 33rd Annual General Meeting of the Company, to be held at 10:30 a.m on Saturday, the 27th July, 2013 and at any adjournment thereof.

Reg. Folio No./DP/Client ID No.(S) : _____

Signature (S) _____

Affix
1 Rupee
Revenue
Stamp

Signed this _____ day of _____ 2013

1. The Proxy must be returned so as to reach the Registered Office of the Company, Span Diagnostics Limited, 173-B, New Industrial Estate, Udhna, Surat-394 210, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
2. Proxy need NOT be a member of the company.
3. In the case of joint holder 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 Registered 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 be preclude such member from attending in person and voting at the Meeting.

GREEN INITIATIVE

May 15, 2013

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

Mitesh Rana
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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
OPERATING RESULTS										
Total Revenue	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	3,535.01
Earning before Depreciation, Interest & Tax	856.04	805.88	1,023.63	1,301.43	782.82	929.01	630.31	545.48	433.23	533.76
Depreciation	303.85	270.63	233.44	208.60	182.07	144.66	110.80	110.10	83.44	68.65
Earning before Interest & Tax	552.19	535.25	790.19	1,092.83	600.75	784.35	519.51	435.38	349.79	465.11
Interest	377.71	288.11	327.98	311.28	368.34	281.39	173.81	174.59	129.98	110.86
Earning before Tax	174.48	247.14	462.21	781.55	232.41	502.96	345.70	260.79	219.81	354.25
Tax*	80.85	124.72	209.51	242.60	110.23	203.30	131.32	93.87	71.28	133.25
Profit/(Loss) after tax	93.62	122.42	252.70	538.95	122.18	299.66	214.38	166.92	148.53	221.00
Dividend & Dividend Distribution tax	42.28	0.00	84.56	101.57	0.00	73.71	63.18	0.00	51.31	60.92

SOURCES AND APPLICATION OF FUNDS

Share Capital	727.60	727.60	727.60	347.28	330.75	315.00	300.01	300.01	300.01	300.01
Reserves and surplus	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	608.81
Loans	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	1,150.21
Other Liabilities	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	778.16
EQUITY & LIABILITIES	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	2,837.19

Fixed Assets (Net)	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	965.20
Investments	70.05	70.05	70.02	69.02	93.77	50.83	35.81	5.55	0.27	0.38
Other Assets	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	1,871.61
TOTAL ASSETS	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	2,837.19

AMOUNT ON FACE VALUE OF Rs.10/-

Earnings Per Share	1.29	1.68	6.36	15.89	3.40	9.75	6.95	5.56	4.95	6.96
Dividend	0.50	-	1.00	2.50	-	2.00	1.80	-	1.50	1.80
Book Value	40	39	37	66	54	50	44	39	34	30

* Includes Deferred Tax

To,

Book-Post
Printed Matter



METRO, SURAT - 9825713530

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@spandiag.com • Web: www.span.in

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



my trusted partner IN DIAGNOSIS™

ISO 9001:2008 | ISO 13485:2003 | cGMP



Span Diagnostics Ltd., Sachin
ISO 9001:2008 and 13485:2003
File Number: A14752







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MANAGEMENT
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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, 2013
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: 01st July, 2013

