



39th

ANNUAL
REPORT
2018-19

BOARD OF DIRECTORS

Mr. N. Gopaldaswami	Chairman
Mr. Viral P. Desai	Managing Director
Dr. Pradip K. Desai	Director
Dr. Sushil K. Shah	Director
Mr. Shyamal Ghosh	Director
Mr. Kamlesh Patel	Director
Dr. Pranav S. Desai	Director
Mr. Sanjay N. Mehta	Director
Dr. Manjula Subramaniam	Additional Director (w.e.f March 23, 2019)
Ms. Lataben P. Desai	Director (up to March 23, 2019)

COMPANY SECRETARY

Ms. Samiksha Kansara

CHIEF FINANCE OFFICER

Mr. Paras Desai (w.e.f. August 09, 2018)

BANKERS**HDFC BANK LIMITED**

Chaitanya Jyoti, Maskati Plot - Vibhag - 2,
Plot No. 32, Opp. Raymonds Showrooms,
Dumas Road, Surat - 395 007.

STATUTORY AUDITORS

M/s. Haibhakti & Co., LLP
Chartered Accountant,
407 A - Pinnacle Business Park
Corporate Road, Prahlad Nagar,
Ahmedabad - 380 015

**HEAD OFFICE &
REGISTERED OFFICE**

9th Floor, 902 - 904, Rajhans Bonista,
Behind Ram Chowk Temple, Ghod Dod Road,
Surat - 395007.

CONTENTS**PAGE NO.**

Notice of Annual General Meeting	02
Directors' Report	10
Corporate Governance Certificate	23
Corporate Governance Report	23
Independent Auditor's Report	32
Balance Sheet	35
Profit & Loss Account	36
Cash Flow Statement	37
Notes to Financial Statements	39
Auditors' Report on Consolidated Financial Statements	57
Consolidated Balance Sheet	60
Consolidated Statements of Profit & Loss	61
Consolidated Cash Flow Statement	62
Notes to Consolidated Financial Statements	64
Attendance Slip & Proxy Form	83

NOTICE**To,
THE MEMBERS OF SPAN DIVERGENT LIMITED
FORMERLY SPAN DIAGNOSTICS LIMITED**

Notice is hereby given that the 39th Annual General Meeting of Shareholders of Span Divergent Limited (Formerly Span Diagnostics Limited) will be held at Hall at 1st Floor, Samruddhi Building, Makkai Pool, Nanpura, Surat – 395 001 on Friday, September 27, 2019 at 11:00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

(a) The Audited Financial Statements of the Company for the year ended on March 31, 2019, and the Reports of the Board of Directors and Auditors thereon.

(b) The Audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2019.

2. To appoint a director in place of Dr. Pranav S. Desai (DIN: 00026541) who retires by rotation and being eligible, offer himself for reappointment.

SPECIAL BUSINESS**3. Regularization of Additional Director, Dr. Manjula Subramaniam and appointment as an Independent Non-executive Director:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 17(1a) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee, Dr. Manjula Subramaniam (DIN: 00085783), who was appointed as an Additional Director with the effect from March 23, 2019 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with listing regulations, as amended from time to time, and who is eligible for appointment, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation and to hold office for a 5 (five) consecutive years on the Board of the Company as well as to continue to hold the position of Independent Non Executive Director beyond the age of Seventy Five (75) years.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby severally authorised to do all acts, deeds and things including filings and take such steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

4. Re-appointment of Mr. Kamlesh M. Patel (DIN: 01521972) as an Independent Non-executive Director.

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

“**RESOLVED THAT**, pursuant to provisions of Section 149,152 read with Schedule IV and other applicable provisions, if any of the Companies Act 2013 ('the Act'), and the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 17(1a) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee, Mr. Kamlesh M Patel (DIN 01521972) who was appointed as an Independent Non-Executive Director and who holds office of Independent Non-Executive Director up to the conclusion of this Annual General Meeting and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with listing regulations, as amended from time to time, and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years till conclusion of Annual General Meeting for the financial year 2023-24.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary or expedient to give effect to the resolutions.”

5. Re-appointment of Mr. Needamangalam Gopalaswami (DIN: 02779229) as an Independent Non-executive Director.

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

“**RESOLVED THAT**, pursuant to provisions of Section 149,152 read with Schedule IV and other applicable provisions, if any of the Companies Act 2013 ('the Act'), and the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 17(1a) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee, Mr. Needamangalam Gopalaswami (DIN 02779229) who was appointed as an Independent Non-Executive Director and who holds office of Independent Non-Executive Director up to the conclusion of this Annual General Meeting and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with listing regulations, as amended from time to time, and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years till conclusion of Annual General Meeting for the financial year 2023-24 as well as to continue to hold the position of Independent Non Executive Director beyond the age of Seventy Five (75) years.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary or expedient to give effect to the resolutions.”

6. Re-appointment of Mr. Shyamal Ghosh (DIN: 00267341) as an Independent Non-executive Director.

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

“**RESOLVED THAT**, pursuant to provisions of Section 149,152 read with Schedule IV and other applicable provisions, if any of the Companies Act 2013 ('the Act'), and the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 17(1a) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee, Mr. Shyamal Ghosh (DIN 00267341) who was appointed as an Independent Non-Executive Director and who holds office of Independent Non-Executive Director up to the conclusion of this Annual General Meeting and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with listing regulations, as amended from time to time, and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years till conclusion of Annual General Meeting for the financial year 2023-24 as well as to continue to hold the position of Independent Non Executive Director beyond the age of Seventy Five (75) years.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary or expedient to give effect to the resolutions.”

7. Re-appointment of Mr. Sushil K. Shah (DIN: 00179918) as an Independent Non-executive Director.

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

“**RESOLVED THAT**, pursuant to provisions of Section 149,152 read with Schedule IV and other applicable provisions, if any of the Companies Act 2013 ('the Act'), and the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 17(1a) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee, Dr. Sushil K Shah (DIN 00179918) who was appointed as an Independent Non-Executive Director and who holds office of Independent Non-Executive Director up to the conclusion of this Annual General Meeting and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with listing regulations, as amended from time to time, and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years till conclusion of Annual General Meeting for the financial year 2023-24 as well as to continue to hold the position of Independent Non Executive Director beyond the age of Seventy Five (75) years.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary or expedient to give effect to the resolutions.”

8. Re-appointment of Mr. Viral Pradipkumar Desai (DIN: 00029219) as a Managing Director of the Company:

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

“**RESOLVED THAT**,

A. Pursuant to the provisions of Sections 197, 198 and 203 and all other applicable provisions, if any, of the Companies Act, 2013, (Act) read with Schedule V to the Companies Act, 2013 and pursuant to the newly prescribed provisions of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015') and other applicable regulations, as amended from time to time and/or any enactment thereof and such other approvals as may be required, members of the Company hereby accords its consent to the reappointment of Mr. Viral P Desai, (DIN: 00029219) as Managing Director of the Company, for a further period of 3 years w.e.f July 01, 2019 on the under mentioned terms of Remuneration;

(a) **Salary:** Rs. 1,50,000 per month in the scale of Rs. 1,50,000 -50,000-5,00,000 with such increments at such time, as may be decided by the Board of Directors.

(b) **Allowances & Perquisites:** Allowances and perquisites shall comprise of:

- i. House Rent Allowance not exceeding 40% 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 and shall not exceed 50% of monthly Salary.
- iv. Other allowances not exceeding INR 2,00,000 per month
- v. Sodexo Meal Coupons not exceeding INR 40,000 per month
- vi. Personal accident insurance in accordance with the rules of the company.
- vii. Reimbursement of club fees subject to a maximum of two clubs. This will not include admission and life membership fees.
- viii. 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
- ix. Gratuity as per the rules of the company but shall not exceed half a month's Salary for each completed year of service.
- x. 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.
- xi. 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.
- xii. 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. Viral P Desai shall be entitled to above stated remuneration subject to the approval of the Central Government, if required. In the event of non-approval / pending approval of remuneration, Mr. Viral P. Desai shall be entitled to remuneration as under:

- i. At the slab stipulated in Section II of Part II of Schedule V to the Companies Act, 2013; 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 severally and/or jointly 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. Viral P. Desai within the overall remuneration package approved.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby jointly and/or severally authorized to submit the necessary applications, if required, and the other required documents, forms and papers to the Registrar of Companies and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution including altering, deleting, inserting any of the clause and solve any difficulties that may arise while giving effect to this resolution without seeking any further approval of the members of the Company.”

Date: May 17, 2019

Place: Surat

For and on behalf of the Board of Directors

Registered Office:

**9th Floor, 902-904, Rajhans Bonista,
Behind Ram Chowk Temple, Ghod Dod Road,
Surat – 395 007**

CIN: L74999GJ1980PLC003710

**Samiksha Kansara
Company Secretary**

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) Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- (c) Members, proxies and authorized representatives are requested to bring to the meeting, the attendance slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.

- (d) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution or upload it on e-voting portal, authorizing their representative to attend and vote on their behalf at the meeting.
- (e) In case of Joint Holders attending the Meeting, only such joint holders who is higher in the order of names will be entitled to vote.
- (f) The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of person seeking appointment/reappointment as directors under item No. 2 to 8 of the Notice are also annexed.
- (g) The relative explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") setting out material facts with respect to the special businesses under Item Nos. 3 to 8 of the notice is annexed hereto.
- (h) Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company / Depositories unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
- (i) The Register of Members and the Share Transfer Books of the Company will remain closed on September 17, 2019 to September 27, 2019 (both days inclusive).
- (j) 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 Divergent Limited
 C – 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083
 Telephone No.: +91 22 49186000, Fax: +91 22 49186060, Email: rnt.helpdesk@linkintime.co.in, Website: www.linkintime.co.in

- (k) 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.
- (l) 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.
- (m) Members are requested to bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting. As a measure of economy, no extra copies of the Annual Report will be supplied at the meeting.
- (n) 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.
- (o) 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). The Company will henceforth effect electronic delivery of documents including the annual report, half yearly shareholder communication, notices of meetings/postal ballot, etc. to the members at the email address registered for the said purpose.

For supporting this initiative, if you hold shares in:

- (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.
- (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
 Unit: Span Divergent Limited
 C – 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083
 Telephone No.: +91 22 49186000, Fax: +91 22 49186060, Email: rnt.helpdesk@linkintime.co.in, Website: www.linkintime.co.in

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.spandivergent.com/www.span.in

We strongly urge members 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 at the earliest.

- (p) The Ministry of Corporate Affairs (MCA) on May 10, 2012 notified the IEPF (Uploading Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules) which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of unclaimed amounts. In terms of the said IEPF Rules, the Company has uploaded the information of the unclaimed dividend in respect of the Final Dividend for the financial year from 2011 – 12 till dividend for the financial year 2017 – 18, on the website of the Company viz. www.span.in.
- (q) **Voting through electronic means**

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 the Company is pleased to provide members facility to exercise their right to vote at the 39th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

The instructions for members opting to vote electronically are as under:

- i. The voting period begins on September 24, 2019 (9:00 a.m.) and ends on September 26, 2019 (5:00) p.m. During this period shareholders of the Company, holding shares in physical form or in dematerialized form, as on the cut-off date September 20, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Log on to the e-voting website www.evotingindia.com during the voting period.
- iii. Click on "Shareholders" tab
- iv. Now enter your user ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number Registered with the Company
- v. Next Enter the Image Verification Code as displayed and click on Login
- vi. If you are holding shares in Demat Form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- xiii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password also is to be used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in the Notice.
- xi. Click on the relevant EVSN of Span Divergent Limited on which you choose to vote.
- xii. On the voting page, you will see RESOLUTION DESCRIPTION and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies you dissent to the Resolution.
- xiii. Click on the RESOLUTIONS FILE LINK if you wish to view the entire Resolution.
- xiv. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on click here to print" option on the Voting Page.
- xvii. If Demat Account holder has forgotten the changed password, then enter the user ID and image verification code and click on forgot password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non-Individual Shareholders and Custodians
- Non Individual Shareholders other than Individuals, HUF, NRI etc. and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate and Custodians.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution / Authority Letter etc. in PDF Format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

II. Voting at AGM:

The Members who have not casted their vote electronically can exercise their voting rights at the Annual General Meeting venue and the member who have not cast their vote by remote e-voting can exercise their right during the meeting on September 27, 2019 at Annual General Meeting.

If a member casts vote in AGM is found to have exercised their voting options electronically or ballot forms or both, voting at the AGM will be treated as invalid

OTHER INSTRUCTIONS

- III. Once the vote on a resolution is cast by the shareholders, the shareholder shall not be allowed to change it subsequently.
- IV. Mr. Mitesh Rana of Mitesh Rana & Co., Company Secretaries (Membership No.: 28113) has been appointed as the scrutinizer to scrutinize voting process (electronically or otherwise) in fair and transparent manner.
- V. The scrutinizer shall from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in employment of the Company and make a scrutinizer's Report of the votes cast in favour or against, if any, & forward to the Chairman/Managing Director of the Company or any other person authorized in this regards.
- VI. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on website of the Company and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

Date: May 17, 2019

Place: Surat

For and on behalf of the Board of Directors

Registered Office:
9th Floor, 902-904, Rajhans Bonista,
Behind Ram Chowk Temple, Ghod Dod Road,
Surat – 395 007
CIN: L74999GJ1980PLC003710

Samiksha Kansara
Company Secretary

ANNEXURE TO THE NOTICE:**I. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Item No. 3 to 8 of the accompanying Notice dated May 17, 2019.

Resolution at Item No. 3

The Nomination and Remuneration Committee at its meeting held on January 24, 2019 has recommended appointment of Dr. Manjula Subramaniam as Director of the Company. Based on recommendation, the Board of Directors at its meeting held on March 23, 2019 appointed Dr. Manjula Subramaniam as an Additional Director of the Company in the category of Non Executive Independent Directors and her tenure expires at this Annual General Meeting. A notice has been received in writing by a member under Section 160 of the Companies Act, 2013 proposing appointment of Dr. Manjula Subramaniam as an Non Executive Independent Director of the Company at this Annual General Meeting for a period of 5 (Five) consecutive years.

Dr. Manjula Subramaniam had joined the I.A.S. cadre of Gujarat State in 1972 and retired in 2008, as the first lady Chief Secretary of Gujarat. She has worked as Gujarat Vigilance Commissioner for 5 years, Chairperson of the Ahmedabad Metro for over 2 years from September 2013 to January 2016, Chairperson of the Sabarmati Riverfront Development Corporation for 5 years from September 2013 to September 2016. She was appointed as Chairman of Gujarat's 1st Real Estate Regulatory Authority. She was Additional Chief Secretary (Finance) for 3 years for implementation of VAT and the net-based IFMS. She was Principal Secretary (Energy & Petrochemicals) and in charge of Chairperson (GEB). She was also Principal Secretary (Urban Development & Urban Housing) from 1998 to end 2001. In 1989, she was in charge of the Import & Export Policy in the office of the D.G.F.T and Director (Engineering Exports) in the Ministry of Commerce. During years 1993 – 98, worked as Joint Secretary in the P.M.O dealing with FIPB and Economic Reforms. She was awarded the prize of eminent person of the year in the Power Sector in 2013. She is an M.Sc in Physics from Delhi University and a recipient of the National Science Talent Scholarship of the Government of India for 8 years. She had also completed M.P.A from Harvard University and Ph.D in Commerce from Sardar Patel University, Vallabh Vidyanagar.

In the opinion of the Board, Dr. Manjula Subramaniam fulfils the conditions for appointment of Independent Director as specified in the Act and the rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) to be appointed as an Independent Director of the Company and is Independent of the Management. Further as per requirement of Regulation 17(1A) of the Listing Regulations, which are effective from April 01, 2019, a person who has attained the age of 75 years can continue the directorship in a Company with approval of members by way of Special Resolution. Since Dr. Manjula Subramaniam is approaching the age of 71 years and in order to continue her directorship upon her attaining the age of 75 years, during the term of her appointment, the Board also recommends the continuation of directorship of Dr. Manjula Subramaniam beyond the age of 75 years, for approval of members of the Company.

Copy of the draft letter of appointment of Dr. Manjula Subramaniam setting out the terms and conditions of appointment are available for inspection by the members of the Company without any fees. The details of Dr. Manjula Subramaniam as required under the provisions of Regulation 36(3) of the Listing Regulations and other applicable provisions are provided in Annexure II to this notice.

Dr. Manjula Subramaniam doesn't hold by herself or for any other person on a beneficial basis, any shares in Company. She has given her consent to act as a director of the company, along with the declaration stating that she is not disqualified from being appointed as director of the company in the terms of section 164 of the Companies Act, 2013. Further she has submitted the declaration as required pursuant to section 149(7) of the act stating that she meets the criteria of independence as provided in subsection (6) of section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relative except Dr. Manjula Subramaniam, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 3 of the Notice.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Dr. Manjula Subramaniam as Non Executive Independent Director. Accordingly, the Board recommends the Special Resolution set out at Item No. 3 of the Notice in relation to appointment of Dr. Manjula Subramaniam as an Independent Director, for the approval by the shareholders of the Company.

Resolution at Item No. 4

Mr. Kamlesh M Patel (DIN: 01521972) is an Independent Non Executive Director of the Company. He is Chairman of Stakeholder Relationship Committee, Corporate Social Responsibility Committee and member of Audit Committee of the Company.

Pursuant to the requirement of Companies Act, 2013 ("the Act") and Clause 49 of erstwhile Listing Agreement, Mr. Kamlesh M Patel was appointed as an Independent Director at the 34th Annual General Meeting of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company to be held in the calendar year 2019.

As per Section 149(10) of the Act, an Independent Director can hold office for a term up to 5 (Five) consecutive years on the Board of a Company and may be re-appointed for another term up to 5 (Five) consecutive years, with the approval of members of the Company by way of Special Resolution.

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

In the opinion of the Board, Mr. Kamlesh M. Patel fulfils the conditions for appointment of Independent Director as specified in the Act and the rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) to be appointed as an Independent Director of the Company and is Independent of the Management.

Copy of the draft letter of appointment of Mr. Kamlesh M Patel setting out the terms and conditions of appointment are available for inspection by the members of the Company without any fees. The details of Mr. Kamlesh M Patel as required under the provisions of Regulation 36(3) of the Listing Regulations and other applicable provisions are provided in Annexure II to this notice.

Mr. Kamlesh Patel doesn't hold by himself or for any other person on a beneficial basis, any shares in Company. He has given his consent to act as a director of he company, along with the declaration stating that he is not disqualified from being appointed as director of the company in the terms of section 164 of the Companies Act, 2013. Further he has submitted the declaration as required pursuant to section 149(7) of the act stating that he meets the criteria of independence as provided in subsection (6) of section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relative except Mr. Kamlesh Patel, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of the Notice.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Kamlesh Patel as Non Executive Independent Director. Accordingly, the Board recommends the Special Resolution set out at Item No.4 of the Notice in relation to appointment of Mr. Kamlesh Patel as an Independent Director, for the approval by the shareholders of the Company.

Resolution at Item No. 5

Mr. Needamanglam Gopalswami (DIN: 02779229) is an Independent Non Executive Director of the Company. He is Chairman of Board of Directors of the Company and member of Audit Committee and Nomination & Remuneration Committee of the Company.

Pursuant to the requirement of Companies Act, 2013 ("the Act") and Clause 49 of erstwhile Listing Agreement, Mr. Needamanglam Gopalswami was appointed as an Independent Director at the 34th Annual General Meeting of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company to be held in the calendar year 2019.

As per Section 149(10) of the Act, an Independent Director can hold office for a term up to 5 (Five) consecutive years on the Board of a Company and may be re-appointed for another term up to 5 (Five) consecutive years, with the approval of members of the Company by way of Special Resolution.

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

In the opinion of the Board, Mr. Needamangalam Gopalaswami fulfils the conditions for appointment of Independent Director as specified in the Act and the rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) to be appointed as an Independent Director of the Company and is Independent of the Management. Further as per requirement of Regulation 17(1A) of the Listing Regulations, which are effective from April 01, 2019, a person who has attained the age of 75 years can continue the directorship in a Company with approval of members by way of Special Resolution. Since Mr. Needamangalam Gopalaswami is approaching the age of 75 years and in order to continue his directorship upon his beyond the age of 75 years, during the term of his appointment, the Board also recommends the continuation of directorship of Mr. Needamangalam Gopalaswami beyond the age of 75 years, for approval of members of the Company.

Copy of the draft letter of appointment of Mr. Needamangalam Gopalaswami setting out the terms and conditions of appointment are available for inspection by the members of the Company without any fees. The details of Mr. Needamangalam Gopalaswami as required under the provisions of Regulation 36(3) of the Listing Regulations and other applicable provisions are provided in Annexure II to this notice.

Mr. Needamangalam Gopalaswami doesn't hold by himself or for any other person on a beneficial basis, any shares in Company. He has given his consent to act as a director of the company, along with the declaration stating that he is not disqualified from being appointed as director of the company in the terms of section 164 of the Companies Act, 2013. Further he has submitted the declaration as required pursuant to section 149(7) of the act stating that he meets the criteria of independence as provided in subsection (6) of section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relative except Mr. Needamangalam Gopalaswami, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the Notice.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Needamangalam Gopalaswami as Non Executive Independent Director. Accordingly, the Board recommends the Special Resolution set out at Item No. 5 of the Notice in relation to appointment of Mr. Needamangalam Gopalaswami as an Independent Director, for the approval by the shareholders of the Company.

Resolution at Item No. 6

Mr. Shyamal Ghosh (DIN: 00267341) is an Independent Non Executive Director of the Company. He is Chairman of Audit Committee and Nomination & Remuneration Committee of the Company.

Pursuant to the requirement of Companies Act, 2013 ("the Act") and Clause 49 of erstwhile Listing Agreement, Mr. Shyamal Ghosh was appointed as an Independent Director at the 34th Annual General Meeting of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company to be held in the calendar year 2019.

As per Section 149(10) of the Act, an Independent Director can hold office for a term up to 5 (Five) consecutive years on the Board of a Company and may be re-appointed for another term up to 5 (Five) consecutive years, with the approval of members of the Company by way of Special Resolution.

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

In the opinion of the Board, Mr. Shyamal Ghosh fulfils the conditions for appointment of Independent Director as specified in the Act and the rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) to be appointed as an Independent Director of the Company and is Independent of the Management. Further as per requirement of Regulation 17(1A) of the Listing Regulations, which are effective from April 01, 2019, a person who has attained the age of 75 years can continue the directorship in a Company with approval of members by way of Special Resolution. Since Mr. Shyamal Ghosh has already attained the age of 75 years and in order to continue his directorship beyond the age of 75 years, during the term of his appointment, the Board also recommends the continuation of directorship of Mr. Shyamal Ghosh beyond the age of 75 years, for approval of members of the Company.

Copy of the draft letter of appointment of Mr. Shyamal Ghosh setting out the terms and conditions of appointment are available for inspection by the members of the Company without any fees. The details of Mr. Shyamal Ghosh as required under the provisions of Regulation 36(3) of the Listing Regulations and other applicable provisions are provided in Annexure II to this notice.

Mr. Shyamal Ghosh doesn't hold by himself or for any other person on a beneficial basis, any shares in Company. He has given his consent to act as a director of the company, along with the declaration stating that he is not disqualified from being appointed as director of the company in the terms of section 164 of the Companies Act, 2013. Further he has submitted the declaration as required pursuant to section 149(7) of the act stating that he meets the criteria of independence as provided in subsection (6) of section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relative except Mr. Shyamal Ghosh in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Shyamal Ghosh as an Non Executive Independent Director. Accordingly, the Board recommends the Special Resolution set out at Item No. 5 of the Notice in relation to appointment of Mr. Shyamal Ghosh as an Independent Director, for the approval by the shareholders of the Company.

Resolution at Item No. 7

Dr. Sushil K. Shah (DIN: 00179918) is an Independent Non Executive Director of the Company. Pursuant to the requirement of Companies Act, 2013 ("the Act") and Clause 49 of erstwhile Listing Agreement, Dr. Sushil K. Shah was appointed as an Independent Director at the 34th Annual General Meeting of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company to be held in the calendar year 2019.

As per Section 149(10) of the Act, an Independent Director can hold office for a term up to 5 (Five) consecutive years on the Board of a Company and may be re-appointed for another term up to 5 (Five) consecutive years, with the approval of members of the Company by way of Special Resolution.

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

Dr. Sushil K. Shah is a Director in Metropolis Healthcare Limited, Nitrolabs Technology Private Limited, Center for Digestive and Kidney Diseases (India) Private Limited, Sudharma Metropolis Health Services Private Limited. Dr. Sushil K. Shah does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In the opinion of the Board, Dr. Sushil K. Shah fulfils the conditions for appointment of Independent Director as specified in the Act and the rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) to be appointed as an Independent Director of the Company and is Independent of the Management. Further as per requirement of Regulation 17(1A) of the Listing Regulations, which are effective from April 01, 2019, a person who has attained the age of 75 years can continue the directorship in a Company with approval of members by way of Special Resolution. Since Dr. Sushil K. Shah is approaching the age of 75 years and in order to continue his directorship upon his beyond the age of 75 years, during the term of his appointment, the Board also recommends the continuation of directorship of Dr. Sushil K. Shah beyond the age of 75 years, for approval of members of the Company.

Copy of the draft letter of appointment of Dr. Sushil K. Shah setting out the terms and conditions of appointment are available for inspection by the members of the Company without any fees. The details of Dr. Sushil K. Shah as required under the provisions of Regulation 36(3) of the Listing Regulations and other applicable provisions are provided in Annexure II to this notice.

Dr. Sushil K. Shah doesn't hold by himself or for any other person on a beneficial basis, any shares in Company. He has given his consent to act as a director of the company, along with the declaration stating that he is not disqualified from being appointed as director of the company in the terms of section 164 of the Companies Act, 2013. Further he has submitted the declaration as required pursuant to section 149(7) of the act stating that he meets the criteria of independence as provided in subsection (6) of section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relative except Dr. Sushil K. Shah in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Dr. Sushil K. Shah as Non Executive Independent Director. Accordingly, the Board recommends the Special Resolution set out at Item No. 7 of the Notice in relation to appointment of Dr. Sushil K. Shah as an Independent Director, for the approval by the shareholders of the Company.

Resolution at Item No. 8

The term of appointment of Mr. Viral P. Desai (DIN: 00029219) as Managing Director is valid up to June 30, 2019. The Board of Directors at its meeting held on May 17, 2019 has accepted the recommendations of the Nomination and Remuneration Committee and approved the reappointment of Mr. Viral P. Desai as the Managing Director of the Company on revised remuneration for a further period of 3 years with effect from July 01, 2019.

The proposed remuneration of Mr. Viral P. Desai shall be governed under Section II of Part II of Schedule V to the Companies Act, 2013 requiring consent of the shareholders by Special Resolution for determination of remuneration for a period of 3 years. A statement containing the information stipulated in Schedule V to the Companies Act, 2013 is given in subsequent pages.

Disclosure of Interest

Mr. Viral P. Desai is interested in approval of the proposed resolution being the beneficiary. Dr. Pradip K Desai (Director) father of Mr. Viral 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. Viral P Desai, as the Managing Director of the Company and Memorandum of Interest of Directors u/s. 190 of the Companies Act, 2013.

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

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

STATEMENT GIVING THE INFORMATION IN ACCORDANCE WITH SCHEDULE V TO THE COMPANIES ACT, 2013 FOR DETERMINATION OF REMUNERATION PAYABLE TO MR. VIRAL P DESAI, MANAGING DIRECTOR

Mr. Viral P Desai (age 51) has done his Bachelors in Pharmacy from Manipal University, Mangalore. 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 CSR Committee of the Board of the Company. His other directorship is given below:

- 1) Span Bioproducts Private Limited
- 2) Athreyas wellness Private Limited
- 3) Span Diagnostics South Africa (Pty) Limited
- 4) Biospan Contamination Control Solutions Private Limited

*The above list of Directorship does not include Limited Liability Partnership (LLPs) in which Mr. Viral P. Desai is Partner.

GENERAL INFORMATION

Sr. No.	Information Sought	Information																								
i.	Nature of Industry	The Company is engaged in manufacturing and trading activity of food & healthcare Products, either through its own or through its subsidiaries companies & LLPs.																								
ii.	Date of Commencement of Commercial Production	The Company has started its operations from March 31, 1980.																								
iii.	Financial performance of the Company	Rs. In Lacs																								
		<table border="1"> <thead> <tr> <th>Particulars</th> <th>2018-2019</th> <th>2017-2018</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td>172.85</td> <td>169.59</td> </tr> <tr> <td>Profit/(Loss) before Tax</td> <td>(313.49)</td> <td>(277.65)</td> </tr> <tr> <td>Profit/(Loss) After Tax</td> <td>(324.21)</td> <td>(307.88)</td> </tr> <tr> <td>Paid-up Equity share Capital</td> <td>546.17</td> <td>546.17</td> </tr> <tr> <td>Reserves & Surplus</td> <td>3862.56</td> <td>4194.73</td> </tr> <tr> <td>Earnings per Share (Rs.)</td> <td>(5.94)</td> <td>(5.64)</td> </tr> <tr> <td>Book value per share (Rs.)</td> <td>80.72</td> <td>86.80</td> </tr> </tbody> </table>	Particulars	2018-2019	2017-2018	Revenue from Operations	172.85	169.59	Profit/(Loss) before Tax	(313.49)	(277.65)	Profit/(Loss) After Tax	(324.21)	(307.88)	Paid-up Equity share Capital	546.17	546.17	Reserves & Surplus	3862.56	4194.73	Earnings per Share (Rs.)	(5.94)	(5.64)	Book value per share (Rs.)	80.72	86.80
Particulars	2018-2019	2017-2018																								
Revenue from Operations	172.85	169.59																								
Profit/(Loss) before Tax	(313.49)	(277.65)																								
Profit/(Loss) After Tax	(324.21)	(307.88)																								
Paid-up Equity share Capital	546.17	546.17																								
Reserves & Surplus	3862.56	4194.73																								
Earnings per Share (Rs.)	(5.94)	(5.64)																								
Book value per share (Rs.)	80.72	86.80																								
iv.	Export performance and net foreign exchange collaboration	The Company's export on FOB basis was Nil for 2018-19 and for 2017-18.																								
v.	Foreign investments or collaborations	The Company has investment in the following overseas Wholly Own Subsidiary company. a. Span Diagnostics South Africa (PTY) Ltd																								

INFORMATION ABOUT THE APPOINTEE:

i.	The background details	The background details of Mr. Viral P. Desai are given elsewhere in the notice
ii.	Past Remuneration	Mr. Viral P Desai was drawing Rs. 65,39,000 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.
iii.	Recognition or awards	Nil
iv.	Job profile and his suitability	Mr. Viral P Desai, Managing Director provides leadership and strategic guidance to the Group Companies in addition to supervising functional-heads of subsidiary companies, Projects, Corporate Communications, operations of JV & Subsidiaries including overall management & administration of Company. Given the profile of Mr. Viral P. Desai, it is imperative that he draws the proposed remuneration.
v.	Remuneration proposed	As per details given in the resolution read with explanatory statement for Items No.8.
vi.	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, Companies engaged in multiple businesses, of comparable size and has been considered by the Nomination and Remuneration Committee and the Board of Directors of the Company in their respective meeting held on May 17, 2019.
vii.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr. Viral P Desai is son of Dr. Pradip K Desai, Promoter 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.

Disclosures:

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

For the details of Mr. Viral P Desai, Managing Director, please refer Explanatory in respect of Special Business statement at Item No. 8 of Notice of Meeting.

1) DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015

Name of the Director	Dr. Pranav S Desai	Dr. Manjula Subramaniam	Mr. Kamlesh M Patel
Date of Birth	March 30, 1972	September 18, 1948	September 01, 1956
Age	47	71	63
Qualification	M. D. Pathology	Retired I.A.S, Ph.D in Commerce, M.Sc Physics,	B.Sc, LLB, LLM
Experience in Specific functional area	He has rich experience of more than 14 years in R & D in Diagnostics and consulting pathology.	As detailed in Explanatory Statement for Resolution at Item No. 3	As detailed in Explanatory Statement for Resolution at Item No. 4
Director Since	June 26, 2006	March 23, 2019	June 28, 2008
List of Companies in which outside directorship held	Matchmove India Private Limited	Gujarat State Petroleum Corporation Limited Ambit Flowers Assets Reconstruction Private Limited	The Gujarat Safe Deposit Company Limited
Membership of Committee of the Board of Director of the Company	Stakeholders Relationship Committee	NA	Audit Committee Stakeholders Relationship Committee Corporate Social Responsibility Committee
Membership in Committee in other Companies	NA	NA	NA
Relationship with other Directors, Manager and other Key Managerial Personnel	NA	NA	NA
No. of Shares held	28040	Nil	Nil

Name of the Director	Mr. N Gopaldaswami	Mr. Shyamal Ghosh	Dr. Sushil K Shah	Mr. Viral P Desai
Date of Birth	April 21, 1944	May 03, 1942	December 29, 1946	May 07, 1968
Age	75	75	73	51
Qualification	Retired I.A.S, M.Sc Chemistry, Diploma in Urban Development Planning	Retired I.A.S, M.A Economics,	M.D (Path & Bact.)	B.Pharm
Experience in Specific functional area	As detailed in Explanatory Statement for Resolution at Item No. 5	As detailed in Explanatory Statement for Resolution at Item No. 6	As detailed in Explanatory Statement for Resolution at Item No. 7	As detailed in Explanatory Statement for Resolution at Item No. 8
Director Since	October 26, 2009	October 28, 2006	September 21, 2003	July 01, 2003
List of Companies in which outside directorship held	-	-	As detailed in Explanatory Statement for Resolution at Item No. 7	As detailed in Explanatory Statement for Resolution at Item No. 8
Membership of Committee of the Board of Director of the Company	Audit Committee Nomination and Remuneration Committee	Audit Committee Nomination and Remuneration Committee	NA	NA
Membership in Committee in other Companies	NA	NA	NA	NA
Relationship with other Directors, Manager and other Key Managerial Personnel	NA	NA	NA	Mr. Viral P Desai is son of Dr. Pradip K Desai, Director of the Company.
No. of Shares held	Nil	Nil	Nil	5,27,567

Date: May 17, 2019
Place: Surat

For and on behalf of the Board of Directors

Registered Office:
9th Floor, 902-904, Rajhans Bonista,
Behind Ram Chowk Temple, Ghod Dod Road,
Surat – 395 007
CIN: L74999GJ1980PLC003710

Samiksha Kansara
Company Secretary

DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting the 39th Annual Report of Span Divergent Limited (the Company) on the business and operations of the Company together with the audited financial statements for the year ended on March 31, 2019.

1. FINANCIAL SUMMARY/PERFORMANCE OF THE COMPANY

The financial performance of the Company for the financial year ended March 31, 2019 along with figures of previous financial year is summarized below:

Particulars	Amount (Rs. In Lacs)	
	2018 - 19	2017 - 18
Total Revenue	296.24	510.73
Profit/(Loss) before tax, Depreciation and Finance Cost (Excluding extraordinary income/(Loss))	(0.78)	(87.70)
Less: Finance Cost	(17.26)	(70.43)
Profit/(Loss) before Depreciation	(18.03)	(158.13)
Less: Depreciation	(112.35)	(55.56)
Profit/(Loss) before tax	(130.38)	(213.69)
Exceptional Item	(183.10)	(63.95)
Profit/(Loss) before tax	(313.49)	(277.65)
Income Tax Expense	(10.73)	(30.23)
Profit/(Loss) for the period from continuing operations	(324.21)	(307.88)
Other comprehensive income		
Remeasurement costs of Post employment benefits	(7.98)	(0.31)
Deferred tax on post employment	0.02	0.11
Other comprehensive income for the year, net of tax	(7.96)	(0.20)
Total comprehensive income for the year	(332.17)	(308.09)
Earnings per equity share for profit from operation attributable to owners of the entity:		
Basic earnings per share	(5.94)	(5.64)
Diluted earnings per share	(5.94)	(5.64)

2. DIVIDEND

Board after detailed deliberation and considering loss incurred during the year under review decided not to recommend any dividend for the financial Year 2018-19.

The dividend declared/recommended is in accordance with the principles and criteria as set out in the Dividend Distribution Policy. The Dividend Distribution Policy of the Company is set out as **Annexure A**.

3. TRANSFER TO RESERVES:

No amount has been transferred to Reserves for the financial year ended on March 31, 2019.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

During the Financial Year 2018-19, the Company has incurred losses which includes an exceptional item of Rs 183,10,183 Contributed by Impairment of capital invested in a subsidiary company, Biospan Scientific LLP. The principal reasons for such loss are attributed to the fact that the Company's investments are in two business verticals, which are into start-up phase. After sale of In-Vitro Diagnostics Business of the Company to Japanese Company, the Company explored various business opportunities and decided to venture into Food & Agriculture (FAB) and Health Care & Life Science (HCLS) related businesses. Company is operating in various businesses through specific subsidiary firm formed for each of the businesses.

Your Company has wholly owned overseas subsidiary company viz. Span Diagnostics South Africa (Pty) Limited and subsidiary company, a joint venture with UK based company Micronclean viz M/s. BioSpan Contamination Control Solutions Private Limited. In terms of proviso to sub-section (3) of the Section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries are set out in the prescribed Form AOC – 1 which forms part of the Annual Report. The details of firms, where Company is actively pursuing the business development are as follows:

FAB Vertical:**Dryfruit Factory LLP:**

Company has completed process of setting up Dry Fruits processing plant near Ahmedabad; Gujarat for processing of Raw Cashew Nuts (RCNs) into finished cashews and commercial production has begun from second quarter of FY2018. During the year, Company is accredited with ISO 9001:2015 and Food Safety System Certification (FSSC) 22000 successfully. Company has also started offering "Tolling services" to other players to ensure that plant is utilized for its maximum capacity.

During the year under review, the LLP yielded Total Revenue of INR 1937.56 lacs and net loss of INR 580.13 Lacs as against Total Revenue INR 1268.14 Lacs and net loss of INR 549.12 Lacs of previous year. The Total Comprehensive Income of the LLP for the year ended March 31, 2019 is INR (582.31) lacs as against INR (549.19) Lacs in previous year. The loss is attributed mainly to the unprecedented increase in the Raw Cashew Nut cost, which turmoiled entire cashew industry during the year.

Aranya Agri Biotech LLP:

Company has ventured in to Plant Tissue Culture business by setting up a business in and around Vadodara, Gujarat. The Company has already acquired an asset of an existing non-operative unit which was in the business of Plant Tissue Culture, which has helped Company getting strong Head way in starting its operation and the Company become fully operational, in second half of FY2018. Apart from the already available product range, Company also has started Research and development to embark upon new products which can be cultivated through tissue culture techniques. Company is likely to have tie ups with Universities for various projects planned in next year.

During the year under review, the LLP yielded Total Revenue of INR 369.94 lacs and net loss of INR 331.31 Lacs as against Total Revenue INR 63.48 Lacs and net loss of INR 262.28 Lacs of previous year. The Total Comprehensive Income of the LLP for the year ended March 31, 2019 is INR (332.20) lacs as against INR (262.28) Lacs in previous year. The principal reason for loss in the initial years are very long operating cycle of plant tissue culture products handled by the company (12-18 months), which called for large operating expenditures

Desai Farmharvest LLP:

No operation has started in this company. It will be operational at an appropriate time in line with the overall strategy of the Company. During the year under review, the LLP incurred net loss of INR 0.04 Lacs as against net loss of INR 2.23 lacs in previous year. The Total Comprehensive Income of the LLP for the year ended March 31, 2019 is INR (0.04) lacs as against INR (2.23) Lacs in previous year.

HCLS Vertical:**BioSpan Scientific LLP**

Company had introduced a niche and selective product portfolio to serve Indian customers in Health Care and Academia segments. BioSpan Scientific's portfolio focuses on the areas of Microbiology, Protein research and Scientific Laboratory products. As of now, company has limited products under its name.

During the year under review, the LLP yielded Total Revenue of INR 56.11 lacs and net loss of INR 9.83 Lacs as against Total Revenue INR 108.80 Lacs and net loss of INR 95.13 Lacs of previous year. The Total Comprehensive Income of the LLP for the year ended March 31, 2019 is INR (9.83) lacs as against INR (95.13) Lacs in previous year.

BioSpan Contamination Control Solutions Private Limited: (BSCCS)

BSCCS is a joint venture formed between Span Divergent Ltd. and Micronclean, UK, with Span having 67 % equity stake. It caters to the niche segment of Pharmaceutical and Biotechnology industry having clean room consumable requirement. The products are imported from Joint Venture partner P company from UK and other reputed companies world-wide operating in the same segment.

It is expected to have some more-tie-ups in coming year to increase the product portfolio.

During the year under review, the Company yielded Total Revenue of INR 82.93 lacs and net loss of INR 166.51 Lacs as against Total Revenue INR 2.63 Lacs and net loss of INR 15.73 Lacs of previous year. The Total Comprehensive Income of the Company for the year ended March 31, 2019 is INR (169.35) lacs as against INR (15.73) Lacs in previous year.

Span Diagnostics LLP

No operation has started in this company. It will be operational at an appropriate time in line with the overall strategy of the Company. During the year under review, the LLP incurred net loss of INR 0.05 Lacs as against net loss of INR 0.07 lacs in previous year. The Total Comprehensive Income of the LLP for the year ended March 31, 2019 is INR (0.05) lacs as against INR (0.07) Lacs in previous year.

Apart from these above mentioned ventures, the Company is also working on consolidating its presence in the field of Food, Agriculture and Healthcare, which will be shared with all the stake holders from time-to-time.

Span Diagnostics South Africa (PTY) Limited

To explore the business potential in strategically important region, the company has wholly owned overseas subsidiary Company in South Africa.

Pursuant to sale of IVD business of Span Divergent Ltd. (Formerly Span Diagnostics Limited) (SDL) to Arkray Healthcare Private Limited in India, the distribution agreement for the Southern African region (SADC Region) between SDL and Span SA also became inoperative. However, because of its strategic importance and potential of the region, Board of Directors of SDL decided to continue Span SA as an active entity.

Industry Structure, Development & outlook

The Company, after selling its IVD Business Undertaking through Slump Sale to M/S. Arkray Healthcare Private Limited has invested in the business in FAB and HCLS verticals and operating businesses through its Subsidiaries. The Company is mainly providing support to all the entities in terms of business management, financial, technical and operational expertise. Additionally, it also gets involved in monitoring and guiding all the entities in various compliances, providing them a vital support in networking, liaising and building business in each of these entities.

Company will continue to look for further opportunities in these segments for further consolidating the business.

Research & Development

As Company is operating through its subsidiary, it is not having any R&D activities.

Human resources and industrial relations

As on March 31, 2019, Company has 8 employees. The focus of the Company is to enrich its employees by promoting learning & development and providing opportunities for enhancing their knowledge base continuously.

During the year, Company continues to have cordial and harmonious relations with its employees.. The Company strives to empower its employees to take up independent responsibility and thereby reaping the benefits of diverse skills set of all employees. Company also encourages employees for taking up multi functional roles, which eventually can result in overall development of their talent and capability and Company also gets benefited through such talent.

5. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There was no significant material order passed by the regulators or courts.

6. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

Management is committed to continue maintaining Company's internal control system, which is reviewed and monitored critically. Compliance of the same is ensured with very valuable inputs from the independent directors, Internal Auditors and Statutory Auditors. Their vast experience and knowledge base has contributed tremendously in betterment of systems and processes, resulting in better internal control. Internal control system is further supported by periodic review by management and the Audit Committee. Company maintains high focus towards all regulatory compliances, which is regularly reviewed by the Board.

During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

7. FIXED DEPOSITS

Company have not accepted any fixed deposits and as such no amount of principal or interest of fixed deposit was outstanding as of balance-sheet date.

8. PARTICULARS OF EMPLOYEES

During the financial year 2018-19, none of the employee of the Company has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure - B forming part of the Report. None of the employees listed in the said Annexure is related to any Director of the Company.

9. AUDITORS & THEIR REPORTS

(1) Statutory Auditors:

Pursuant to the provisions of Section 139 of the Act and the rules framed there under, at the Annual General Meeting held on September 20, 2015, M/s. Haribhakti & Co LLP, Chartered Accountants, had been appointed as Statutory Auditors of the Company to hold office from conclusion of 36th Annual General Meeting till the conclusion of 40th the Annual General Meeting to be held in the year 2020. The Companies (Amendment) Act, 2017 has waived the requirement for ratification of the appointment of Statutory Auditors by the Shareholders at every Annual General Meeting. Hence, the ratification of appointment of Statutory Auditors by your company is not required. Accordingly Statutory Auditor will continue to hold office till the conclusion of the 40th Annual General Meeting of the Company.

The Auditor's Report for the financial year 2018-2019 does not contain any qualification, reservation or adverse remark which requires any clarification / explanation. The Auditor's Report is enclosed with the financial statement in this Annual Report. There was no instance of fraud during the year under review, which required the statutory auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act, and the rules made thereunder.

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

(2) Secretarial Auditors:

Pursuant to the provisions of the Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the Board of Directors of the Company had appointed M/s. Mitesh Rana & Co. a firm of Company Secretaries to carry out Secretarial Audit for the year ended on March 31, 2019. The Secretarial Audit Report is annexed as Annexure-E.

The Auditors' Report and the Secretarial Audit Report for the financial year ended March 31, 2019 do not contain any qualification, reservation, adverse remark.

The Board of Directors of your Company has appointed M/s. Mitesh Rana & Co., Company Secretaries, Vadodara to carry out Secretarial Audit of your Company for FY 2019 – 2020 Your Company had complied with the provisions of Secretarial Standards on Board Meetings and General Meetings issued by the Institute of Company Secretaries of India and approved by the Central Government.

(3) Internal Auditors

The Board of Directors appointed M/s. Ramanlal G Shah & Co., Chartered Accountants as Internal Auditors of the Company for financial year 2019 – 2020.

10. SHARE CAPITAL

The paid up equity capital of the Company as on March 31, 2018 was Rs. 5,46,17,470/- divided into 54,61,747 Equity Shares of Rs. 10/- each. The Company has neither issued any shares nor granted stock option nor sweat equity.

11. ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is appended as "Annexure E" to the Board's Report.

12. CONSERVATION OF ENERGY

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are not given considering the fact that the Company is in the process of establishing new business after sale of its In-Vitro Diagnostics Business and its office is an administrative office only and no manufacturing activity have been carried out during the year. However in the office all the lights used are LED lights and all air-conditioners are rated 5 star for every efficiency and operated at optimum temperature to conserve the electricity.

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

The particulars are attached in "Annexure 'C'" of this report.

14. CORPORATE SOCIAL RESPONSIBILITY

Though not mandatory in terms of Section 135 of Companies Act, 2013 for the year ended on March 31, 2019, the Company has formulated Corporate Social Responsibility (CSR) Policy in accordance with Section 135 of the Companies Act, 2013 and reconstituted CSR Committee under the Chairmanship of an Independent Director Mr. Kamlesh Patel. During the year under review, Company had contributed funds for medical aid. The contribution in this regard has been made to the Registered Trust.

15. DIRECTORS/KEY MANAGERIAL PERSONNEL

Name of the Director	Designation
Sanjay Natwarlal Mehta	Director
Pradipkumar Keshavlal Desai	Director
Late. Lataben Pradipkumar Desai	Woman Director (uo to March 23, 2019)
Pranav Sureshbhai Desai	Director
Viral Pradipkumar Desai	Managing Director
Sushil Kanubhai Shah	Independent Director
Shyamal Ghosh	Independent Director
Kamlesh Maganlal Patel	Independent Director
Needamangalam Gopaldaswami	Independent Director
Manjila Subramaniam	Woman Independent Director (w.e.f. March 23, 2019)
Paras Desai	Chief Finance Officer (CFO) w.e.f August 09, 2018
Minesh Mohanbhai Patel	Chief Finance Officer (CFO) upto August 09, 2018
Samiksha Kansara	Company Secretary

16. INDEPENDENT DIRECTORS DECLARATION

The Independent Directors of the Company have given the declaration and confirmation to the Company as required under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that they meet the criteria of independence and that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

The Board of Directors of the your company confirms that the Independent Directors fulfill the conditions specified in Section 149 (6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

17. BOARD MEETINGS

An agenda of the meeting is prepared and circulated in advance to the Directors. During the year Five Board Meetings and Four Audit Committee meetings were convened and held. The details of which are given in the Corporate Governance Report along with other committee meetings. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

18. BOARD EVALUATION

Pursuant to SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the corporate governance report. The Board approved the evaluation results as collated by the nomination remuneration committee. None of the independent directors are due for re-appointment.

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and Individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, Information and functioning etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee (NRC) reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

19. Appointments :

The Companies Act, 2013 provides for the appointment of the independent directors. Sub-section 10 of Section 149 of the Companies act, 2013 provides that independent directors shall hold office for a term of five consecutive years on the Board of a Company; and shall be eligible for the re-appointment on passing a special resolution by the shareholders of the company. In compliance with the aforesaid provision and subject to provision of Securities Exchange Board of India Act, 1992, Mr. Kamlesh Patel, Mr. N. Gopaldaswami, Mr. Shyamal Ghosh and Dr. Sushil Shah have been appointed as an Independent Directors of the Company for term of 5 (Five) years. At the ensuing Annual General Meeting the Company, re-appointment of all these directors recommended by passing special resolution for second term of 5 years.

20. RETIREMENTS, RESIGNATIONS AND CHANGE IN THE DESIGNATION :

- I. Dr. Pranav S Desai, Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The retirement of Director by rotation at the ensuing Annual General Meeting is determined in accordance with the provisions of the Companies Act, 2013.
- II. During the year under review, Mrs. Lataben Pradipkumar Desai resigned from the directorship of the Company with effect from March 23, 2019.
- III. Dr. Manjula Subramaniam was appointed as an Additional Director of the Company with effect from March 23, 2019 to hold office of director upto this Annual General Meeting. At the ensuing Annual General Meeting of the Company, her appointment as Non Executive Independent Director of the Company is recommended by passing special resolution for term of five years.
- IV. Mr. Minesh Patel, Chief Finance Officer of the Company had resigned from the position of Chief Finance Officer of the Company with effect from August 09, 2018.
- V. Mr. Paras Desai had been appointed as Chief Finance Officer of the Company with effect from August 09, 2018

21. AUDIT COMMITTEE :

The Audit Committee comprises of three Independent Directors, namely Mr. Shyamal Ghosh, Chairman, Mr. N. Gopaldaswami, Mr. Kamlesh M. Patel and Mr. Sanjay N. Mehta (Non Executive Directors). Ms. Samiksha Kansara, Company Secretary acts as the secretary to the Audit Committee with effect from September 01, 2017. The composition and the Terms of Reference of the Audit Committee meet with the requirements of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

There were four meetings held during the year.

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

Name of Members	No. of Meetings held	No. of Meetings Attended
Mr. Shyamal Ghosh, Chairman	4	4
Mr. N. Gopaldaswami	4	4
Mr. Sanjay N. Mehta	4	3
Mr. Kamlesh M. Patel	4	3

22. VIGIL MECHANISM

The Company has established a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and the same has been communicated within organization.

In staying true to our values of strength, performance and passion, the Company is committed to the high standards of Corporate Governance and Stakeholders Responsibility.

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has formulated policy on 'Protection of Women's Rights at Workplace' as per the provisions of the Sexual Harassment of women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. This has been widely disseminated. There were no cases of sexual harassment complaints received by the Company in the financial year 2018 - 19. The policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at work place is placed on website of the Company www.span.in.

23. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of 3 directors of which two directors are independent directors & one Non Executive Director as at March 31, 2019.

There was a one nomination and remuneration committee meeting held during the year.

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

Name of Members	No. of Meetings held	No. of Meetings attended	Designation
Mr. Shyamal Ghosh, Chairman	1	1	Independent Non-Executive Director
Mr. Sanjay N. Mehta	1	1	Non Executive Director
Mr. N. Gopalaswami	1	1	Independent & Non-Executive Director

The main term of reference of Nomination and Remuneration Committee is to review and recommend the revision in remuneration of managerial personnel to the Board of Directors. The Nomination and 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.

The Board has on recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Nomination and Remuneration Policy is stated in the Corporate Governance Report.

24. LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

25. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis, were in the ordinary course of business and in compliance of the provision of Section 188 of the Companies Act, 2013 and rules made there under and Listing Agreement & SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015. There were no materially significant related party transactions made by the Company with promoters, Key Managerial Personnel or other designated persons which may have potential conflict with Interest of the Company at large. All related party transactions are placed before the Audit Committee as also the Board for approval. You may refer to related party transactions in note No. 28 of the Stand Alone Financial Statements.

Prescribed form AOC - 2, pursuant to Section 134 (3) (h) of the Companies Act, 2013 & Rule 8(2) of the Companies (Accounts) Rules, 2014, is furnished as Annexure - D to this report.

26. MANAGERIAL REMUNERATION :

Name of the Director	Designation	Remuneration in the year 2019 in Rs.	Remuneration in the year 2018 in Rs.	Sitting fees in the F.Y. 2019
Sanjay Natwarlal Mehta	Director	NIL	NIL	30,000
Pradipkumar Keshavlal Desai	Director	NIL	NIL	25,000
Lataben Pradipkumar Desai*	Woman Director	NIL	NIL	25,000
Pranav Sureshbhai Desai	Director	NIL	NIL	10,000
Viral Pradipkumar Desai	Managing Director	6,280,160***	8,595,000	NIL
Sushil Kanubhai Shah	Independent Director	NIL	NIL	15,000
Shyamal Ghosh	Independent Director	NIL	NIL	40,000
Kamlesh Maganlal Patel	Independent Director	NIL	NIL	35,000
Needamangalam Gopalaswami	Independent Director	NIL	NIL	40,000
Mr. Minesh Patel**	Chief Financial Officer	133,901	343,725	NA
Mr. Paras Desai**	Chief Financial Officer	4,267,758	NIL	NA
Ms. Samiksha Kansara	Company Secretary	192,000	112,000	NA

*Ms. Lataben P Desai, Director of the Company resigned from directorship with effect from March 23, 2019

** Mr. Minesh Patel ceased to be CFO of the Company with effect from August 9, 2018 and Mr. Paras Desai was appointed as CFO of the company with effect from August 9, 2018

*** Includes provision of superannuation, Gratuity and contribution to Provident Fund

The median remuneration of the employee of the Company for the year 2018 - 19 is Rs. 580,608 as against Rs. 120,515 for the year 2017 - 18. During the year median remuneration is increased by 382%. There were 12 employees on rolls of the Company during the financial year. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay was linked to organization performance.

Sr. No.	Name of Director	Remuneration	Ratio of Remuneration to the median remuneration of the employees
01.	Mr. Viral P Desai	6,280,160	10.82

During the year under review, there was no increase in remuneration of the Managing Director Mr. Viral P Desai who is reappointed for a further period of 3 years with effect from July 01, 2016.

The further information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company will be provided upon request. The information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure-B forming part of the Report.

27. CERTIFICATE ON CORPORATE GOVERNANCE :

A report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 forms part of the Annual Report. The certificate received from the M/s. Mitesh Rana & Co., confirming compliance with the conditions of Corporate Governance is attached to this Report.

28. MATERIAL CHANGE & COMMITMENTS, IF ANY

There is no material changes and commitments, that would affect financial position of the company from the end of the financial year of the company to which the financial statements relate and the date of director's report.

29. COST AUDITORS

Cost Audit is not applicable to the Company for the year 2019 - 20. Hence No appointment of Cost Auditor was required to be made.

30. RISK MANAGEMENT

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and

corporate functions will embrace Risk Management Policy and Guidelines, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

31. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed.
- (b) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing detecting fraud and other irregularities
- (d) the directors have prepared the annual accounts on a going concern basis
- (e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. 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 substantially or materially from those either expressed or implied in the statement depending on the circumstances.

33. 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 HDFC Bank and Government Authorities for their co-operation and assistance rendered to the Company.

For and on behalf of the Board

Date: May 17, 2019
Place: Surat

Viral P Desai
Managing Director
DIN : 00029219

Dr. Pradip K Desai
Non Executive Director
DIN : 00026451

ANNEXURE A TO THE DIRECTORS' REPORT – DIVIDEND DISTRIBUTION POLICY

OBJECTIVE

The objective of this policy is to establish the principles and criteria to be considered by the Board of Directors prior to recommending dividend to the Equity Shareholder of Span Divergent Limited. The policy is framed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has a consistent dividend policy and has endeavored to judiciously balance rewarding shareholder through dividends whilst supporting future growth and long-term interests of the Company and its stakeholders.

PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board of Directors shall inter alia consider the following parameters before recommending dividend:

Statutory and Regulatory Parameters

The Company shall declare dividend only after ensuring compliance with requisite regulations and provisions of the Companies Act, 2013 and rules made there under, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and any other regulations as may be applicable from time to time. The Board will consider various parameters as mentioned below before arriving at a decision on declaration of dividend:

Financial Parameters

- Profits earned during the financial year
- Accumulated reserves
- Funding and liquidity considerations
- Profitability outlook for the next two/three years
- Leverage ratios
- Other factors and/or material events which the Board may consider

External Factors

- Shareholder expectations, including individual shareholders
- Taxation provisions
- Macro and Micro Economic conditions
- Government policies
- Any other factors and / or material events which the board may consider

UTILISATION OF RETAINED EARNINGS

Retained earnings shall be utilised in accordance with prevailing regulatory requirements, creating reserves for specific objectives, fortifying the balance sheet against contingencies, generating higher returns for shareholders through reinvestment of profits for future growth and expansion and any other specific purpose as approved by the Board. The Company shall endeavor to utilise retained earnings in a manner that shall be beneficial to both, the interests of the Company and its stakeholders.

DIVIDEND AND CLASSES OF SHARES

The Board may declare interim or recommend final and/or special dividend as may be permitted under the Companies Act, 2013 or any amendment, modification, variation or re-enactment thereof. Currently, the Company does not have any other class of shares (including shares with differential voting rights) other than equity shares.

DIVIDEND PAYOUT RATIO

The Company has followed a stable dividend policy in the past and strives to maintain a consistent dividend payout ratio.

CONFLICT IN POLICY

In the event of a conflict between this policy and the then existing regulations, the regulations shall prevail.

AMENDMENTS

To the extent any change/amendment is required in terms of applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be suitably modified to make it consistent with the law. Such amended policy shall be placed before the Board for noting and necessary ratification.

REVIEW OF POLICY

The Board shall review the Dividend Distribution Policy of the Company periodically.

DISCLOSURE OF POLICY

The Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website www.span.in

Annexure – B to the Board's Report

[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Management Personnel Rules, 2014)]

a. The ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year:

The median remuneration of the employees of the Company for the financial year is INR 580,608/-

Non Executive Directors	Ratio to Median Remuneration
Pradipkumar Keshavlal Desai	-
Lataben Pradipkumar Desai	-
Sanjay Natwarlal Mehta	-
Pranav Sureshbhai Desai	-
Sushil Kanubhai Shah	-
Shyamal Ghosh	-
Kamlesh Maganbhai Patel	-
Needamangalam Gopaldaswami	-

Executive Directors	Ratio to Median Remuneration
Mr. Viral P Desai	10.82

b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Finance Officer and Company Secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% Increase in remuneration in the financial year
Pradipkumar Keshavlal Desai	-
Lataben Pradipkumar Desai	-
Sanjay Natwarlal Mehta	-
Pranav Sureshbhai Desai	-
Sushil Kanubhai Shah	-
Shyamal Ghosh	-
Kamlesh Maganbhai Patel	-
Needamangalam Gopaldaswami	-
Mr. Viral P Desai*	Nil
Mr. Minesh Patel	10.57%
Mr. Paras Desai	Nil
Ms. Samiksha Kansara	Nil

*There is no increase in remuneration paid to Mr. Viral P Desai. However Remuneration includes provision of superannuation, gratuity and contribution to provident fund.

c. The percentage increase in the median remuneration of employees in the financial year: 381%

Above figures given here as compared to previous year median which is not strictly comparable since the number of employee on rolls of the company stood 8 as on March 31, 2019 as compared to 10 as on March 31, 2018.

d. The number of permanent employees on the rolls of the Company: 8

e. Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in remuneration per employees was -41 % The Profit after tax for the year 2018-19 is INR (332.17) Lacs. The employees related cost is INR 171.36 Lacs. The average increase in remuneration per employee is in line with normal pay revision and variable component forming integral part of the remuneration which is linked to individual performance, revenue achievement, profitability achievement, employee satisfaction, retention of key employees, achieving strategic goals, customer satisfaction apart from Company's performance as a whole.

The average annual increase in the salaries of employees other than managerial personnel in the last financial year was around 10.25%. Increase in the managerial remuneration for the year was Nil.

There were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company.

f. Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company affirms that the remuneration paid are as per the remuneration policy of the Company.

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 and benefits derived as a result of the above R & D:

During the year under review, subsequent to sale of its In-Vitro Diagnostics Business to the Arkray Healthcare Private Limited, there is no manufacturing as well as R & D activity carried out.

Expenditure on R & D – Not Applicable

2. Technology absorption, adaptation and innovation

Efforts in brief, made towards technology absorption, adaptation and innovation: Not Applicable

Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc: Not Applicable

3. FOREIGN EXCHANGE EARNING AND OUTGO

Sr. No.	Particulars	2018 – 19 Rs.	2017 – 18 Rs.
1.	Total Foreign Exchange Earned	Nil.	Nil.
2.	Total Foreign Exchange Outgo	35,312	858,268

For and on behalf of the Board

Date: May 17, 2019
Place: Surat

Viral P Desai
Managing Director
DIN : 00029219

Dr. Pradip K Desai
Non Executive Director
DIN : 00026451

Annexure – D to the Board's Report

Form No. AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangement entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.**Details of contracts or arrangements or transactions not at arm's length basis:**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or Arrangement or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as require under first proviso to section 188
			Not Applicable				

*During the Financial Year 2018-19, no contract or arrangement or transaction was entered into by the company with the related parties which is not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or Arrangement or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
			Not Applicable		

Note: During the year under review, no material transactions, contracts or arrangements {as defined under the listing Agreement or which were above the threshold limits mentioned under Rule 15 of the Companies (Meetings of Board & its Powers) Rules, 2014} were entered with the related parties by the Company. **For details on related party transactions, members may refer to the notes to the standalone financial statement.****For and on behalf of the Board**Date: May 17, 2019
Place: SuratViral P Desai
Managing Director
DIN : 00029219Dr. Pradip K Desai
Non Executive Director
DIN : 00026451

ANNEXURE E

EXTRACT OF ANNUAL RETURN
as on financial year ended on March 31, 2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

I.	CIN	L74999GJ1980PLC003710
ii.	Registration Date	March 31, 1980
iii.	Name of the Company	Span Divergent Limited (Formerly Span Diagnostics Limited)
Iv.	Category/Sub-category of the Company	Company Limited by Shares Non-Govt Company
V.	Address of the Registered office & contact details	9 th Floor, 902 – 904, Rajhans Bonista, Behind Ram Chowk Temple, Ghod Dod Road, Surat – 395 007 Tel No.: +91 261 2663232 Email Id: secretarial@span.co.in
Vi.	Whether listed Company	Yes
Vii.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C – 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel No.: +91 22 49186000 Fax: +91 22 49186060 Email Id: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
01.	Activities of Head Offices, management services activities	7010	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	SPAN DIAGNOSTICS SA (Pty) Ltd. Address: 143 Beyers Naude Drive, Roosevelt Park, Johannesburg, Gauteng 2195, South Africa. P.O.Box 2839, Cresta Gauteng 2118, South Africa	2005/000692/07	Subsidiary	100%	2(87)

2.	Dryfruit Factory LLP 9 th Floor, Office 902 – 904, Rajhans Bonista, Ghod Dod Road, B/h Ram Chawk Temple, Surat – 395007	AAE-6138	Subsidiary	99%	2(87)
3.	Span Diagnostics LLP 9 th Floor, Office 902 – 904, Rajhans Bonista, Ghod Dod Road, B/h Ram Chawk Temple, Surat – 395007	AAE-9468	Subsidiary	99%	2(87)
4.	Aranya Agri Biotech LLP 9 th Floor, Office 902 – 904, Rajhans Bonista, Ghod Dod Road, B/h Ram Chawk Temple, Surat – 395007	AAF-9384	Subsidiary	99%	2(87)
5.	Biospan Scientific LLP 9 th Floor, Office 902 – 904, Rajhans Bonista, Ghod Dod Road, B/h Ram Chawk Temple, Surat – 395007	AAF-9387	Subsidiary	99%	2(87)
6.	Biospan Contamination Control Solutions Private Limited 9 th Floor, Office 902 – 904, Rajhans Bonista, Ghod Dod Road, B/h Ram Chawk Temple, Surat – 395007	U51909GJ2017PTC099131	Subsidiary	67%	2(87)
7.	Desai Farmharvest LLP 9 th Floor, Office 902 – 904, Rajhans Bonista, Ghod Dod Road, B/h Ram Chawk Temple, Surat – 395007	AAI -2590	Subsidiary	85%	2(87)

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Shareholding of Promoter & Promoter Group									
(1) Indian									
a) Individual/HUF	3,328,139	8,200	3,336,339	61.09	337,559	23,200	3,360,759	61.53	0.45
b) Central Govt. or State Govt.	-	-	-	0.00	-	-	-	0.00	0.00
c) Bank/FI	-	-	-	0.00	-	-	-	0.00	0.00
d) Any Other (Specify)									
Bodies Corporate	76,040	-	76,040	1.39	76,040	-	76,040	1.39	0.00
SUB TOTAL:(A) (1)	3,404,179	8,200	3,412,379	62.48	3,413,599	23,200	3,436,799	62.92	0.45
(2) Foreign									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	10,000	20,000	30,000	0.55	40,000	20,000	60,000	1.10	0.55
b) Government	-	-	-	0.00	-	-	-	0.00	0.00
c) Institutions	-	-	-	0.00	-	-	-	0.00	0.00
d) Foreign Portfolio Investor	-	-	-	0.00	-	-	-	0.00	0.00
e) Any other (Specify)									
SUB TOTAL (A) (2)	10,000	20,000	30,000	0.55	40,000	20,000	60,000	1.10	0.45
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	3,414,179	28,200	3,442,379	63.03	3,453,599	43,200	3,496,799	64.02	1.00
B. PUBLIC SHAREHOLDING									
(1) Institutions	-	-	-	0.00	-	-	-	0.00	0.00
a) Mutual Funds / UTI	-	-	-	0.00	-	-	-	0.00	0.00
b) Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
c) Alternate Investment Funds	-	-	-	0.00	-	-	-	0.00	0.00
d) Foreign Venture Capital Investors	-	-	-	0.00	-	-	-	0.00	0.00
e) Foreign Portfolio Investor	-	-	-	0.00	-	-	-	0.00	0.00
f) Financial Institutions / Banks	-	-	-	0.00	-	-	-	0.00	0.00
g) Insurance Companies	-	-	-	0.00	-	-	-	0.00	0.00
h) Provident Funds / Pension Funds	-	-	-	0.00	-	-	-	0.00	0.00
i) Any Others (Specify)									
SUB TOTAL (B)(1):	-	-	-	0.00	-	-	-	0.00	0.00
(2) Central Government / State Government(s) / President of India									
Central Government / State Government(s)	25,406	0	25,406	0.47	-	-	-	0.0	-0.47
SUB TOTAL (B)(2):	25,406	0	25,406	0.47	-	-	-	0.0	-0.47
(3) Non Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	622,241	205,864	828,105	15.16	592,921	152,504	745,465	13.65	-1.51

ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	175,352	10,400	185,752	3.40	207,666	10,400	218,066	3.99	0.59
b) NBFCs Registered with RBI	-	-	-	0.00	-	-	-	0.00	0.00
c) Employee Trusts	-	-	-	0.00	-	-	-	0.00	0.00
d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	0.00	-	-	-	0.00	0.00
e) Any other (Specify)									
IEPF	-	-	-	0.00	69,519	-	69,519	1.27	1.27
Hindu Undivided Family	178,099	-	178,099	3.26	182,896	-	182,896	3.35	0.09
Non Resident Indians (Non Repat)	587,154	-	587,154	10.75	587,925	-	587,925	10.76	0.01
Non Resident Indians (Repat)	21,701	139,000	160,701	2.94	51,701	64,000	115,701	2.12	-0.82
Clearing Member	8,185	-	8,185	0.15	1,125	-	1,125	0.02	-0.13
Bodies Corporate	41,966	4,000	45,966	0.84	40,751	3,500	44,251	0.81	-0.03
SUB TOTAL:(B) (3)	1,634,698	359,264	1,993,962	36.51	1,734,544	230,400	1,964,948	35.98	-0.53
Total Public Shareholding (B) = (B) (1) + (B) (2) + (B) (3)	1,660,104	359,264	2,019,368	36.97	1,734,544	230,400	1,964,948	35.98	-1.01
TOTAL (A)+(B)	5,074,283	387,464	5,461,747	100.00	5,188,143	273,604	5,461,747	100.00	0.00
(C) Non Promoter – Non Public									
1) Custodian/DR Holder	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total (A+B+C)	5,074,283	387,464	5,461,747	100.00	5,188,143	273,604	5,461,747	100.00	0.00

(ii) Shareholding Pattern of Promoter Group

Sl No.	Shareholders Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.	PRADIPKUMAR KESHAVLAL DESAI	1,360,880	24.92	-	1,360,880	24.92	-	0.00
2.	LATABEN P DESAI	841,040	15.40	-	846,500	15.50	-	0.10
3.	VIRAL PRADIPKUMAR DESAI	563,527	10.32	-	56,757	10.39	-	0.07
4.	GITA SURESH DESAI	114,540	2.10	-	114,540	2.10	-	0.00
5.	SUJATA V DESAI	101,576	1.86	-	101,576	1.86	-	0.00
6.	DR. SURESH DINKERRAI DESAI	33,720	0.62	-	33,720	0.62	-	0.00
7.	PRAGATI KISHOR SHAH	30,258	0.55	-	30,258	0.55	-	0.00
8.	SHITAL SARVAJNA KAZI	31,300	0.57	-	54,300	0.99	-	0.42
9.	PRANAV S DESAI	28,040	0.51	-	28,040	0.51	-	0.00
10.	PRASHANT SURESH DESAI	26,040	0.48	-	26,040	0.48	-	0.00
11.	PRAKASH DHIRUBHAI DESAI	19,000	0.35	-	19,000	0.35	-	0.00
12.	MANJULABEN PRAKASHCHANDRA DESAI	59,218	1.08	-	59,218	1.08	-	0.00
13.	SHITAL SARVAGNA KAZI	8,000	0.15	-	-	-	-	-0.15
14.	SHITAL SARVAGNA KAZI	200	0.04	-	200	0.04	-	0.00
15.	SPAN FINSTOCK PVT LTD	76,040	1.39	-	76,040	1.39	-	0.00
16.	VIVEK S DESAI	20,000	0.37	-	20,000	-	-	-0.37
17.	TEJAL VIVEK DESAI	10,000	0.18	-	60,000	1.10	-	0.92
18.	DR UDAYBHAI DHIRUBHAI DESAI	89,000	1.63	-	89,000	1.63	-	0.00
19.	UDAYBHAI DHIRUBHAI DESAI	30,000	0.55	-	29,963	0.54	-	-0.01
	Total	3,442,379	63.03	-	3,496,799	64.02	-	0.99

iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sr. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	3,442,379	63.03	3,442,379	63.03
	Increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	544,20	0.99	54,420	0.99
	At the end of the year	3,496,799	64.0	3,496,799	64.02

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year 2019		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1.	Pradipkumar Keshavlal Desai	1,306,880	24.92	-	-	1,360,880	24.92
	At the end of the year	-	-	-	-	1,360,880	24.92
2.	Lataben P Desai	841,040	15.40	-	-	841,040	15.40
	Market Purchase	-	-	August 03, 2018	5,460	846,500	15.50
	At the end of the year	-	-	-	-	846,500	15.50
3.	Viral Pradipkumar Desai	563,527	10.32	-	-	563,527	10.32
	Market Purchase	-	-	April 13, 2018	200	563,727	10.32
	Market Purchase	-	-	August 03, 2018	3,800	567,527	10.39
	At the end of the year	-	-	-	-	567,527	10.39
4.	Gita Suresh Desai	114,540	2.10	-	-	114,540	2.10
	At the end of the year	-	-	-	-	114,540	2.10
5.	Sujata V Desai	101,576	1.86	-	-	101,576	1.86
	At the end of the year	-	-	-	-	101,576	1.86
6.	Udaybhai Dhirubhai Desai	89,000	1.63	-	-	89,000	1.63
	At the end of the year	-	-	-	-	89,000	1.63
7.	Span Finstock Pvt Ltd	76,040	1.39	-	-	76,040	1.39
	At the end of the year	-	-	-	-	76,040	1.39
8.	Dr. Suresh Dinkerrai Desai	33,720	0.62	-	-	33,720	0.62
	At the end of the year	-	-	-	-	33,720	0.62
9.	Pragati Kishor Shah	30,258	0.55	-	-	32,680	0.60
	At the end of the year	-	-	-	-	32,680	0.55
10.	Manjulaben Prakashchandra Desai	59,218	1.08	-	-	59,218	1.08
	Market Sell	-	-	December 07, 2018	3	59,215	1.08
	At the end of the year	-	-	-	-	59,215	1.08
11.	Shital Sarvajna Kazi	31,300	0.58	-	-	31,300	0.58
	Market Purchase	-	-	December 21, 2018	8,000	39,300	0.72
	Market Purchase	-	-	March 08, 2019	15,000	54,300	0.99
	At the end of the year	-	-	-	-	54,300	0.99
12.	Udaybhai Dhirubhai Desai	30,000	0.55	-	-	30,000	0.55
	Market Sell	-	-	March 15, 2019	-37	29,363	0.55
	At the end of the year	-	-	-	-	29,363	0.55
13.	Pranav S Desai	28,040	0.51	-	-	28,040	0.51
	At the end of the year	-	-	-	-	28,040	0.51
14.	Prashant Suresh Desai	26,040	0.48	-	-	26,040	0.48
	At the end of the year	-	-	-	-	26,040	0.48
15.	Vivek S Desai	20,000	0.37	-	-	20,000	0.37
	Market Sell	-	-	October 26, 2018	-20,000	-	0.00
	At the end of the year	-	-	-	-	-	0.00
16.	Prakash Dhirubhai Desai	19,000	0.35	-	-	19,000	0.35
	At the end of the year	-	-	-	-	19,000	0.35
17.	Tejal Vivek Desai	10,000	0.18	-	-	10,000	0.18
	Market Purchase	-	-	November 02, 2018	30,000	40,000	0.73
	Market Purchase	-	-	March 15, 2019	20,000	60,000	1.10
	At the end of the year	-	-	-	-	60,000	1.01
18.	Shital Sarvagna Kazi	8,000	0.11	-	-	8,000	0.11
	Market Sell	-	-	December 14, 2018	-8,000	-	-
	At the end of the year	-	-	-	-	8,000	-
19.	Shital Sarvagna Kazi	200	0.00	-	-	200	0.00
	At the end of the year	-	-	-	-	200	0.00

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 5,461,747 Shares.

2. The details of holding has been clubbed based on PAN.

3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year 2019		Cumulative Shareholding at the end of the year - 2019	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1.	Patel Bharti	575,333	10.53	-	-	575,333	10.53
	At the end of the year	-	-	-	-	575,333	10.53
2.	Sanjay N Mehta	103,600	1.90	-	-	103,600	1.90
	Market Purchase	-	-	May 04, 2018	10	103,610	1.90
	Market Purchase	-	-	May 11, 2018	734	104,344	1.91
	Market Purchase	-	-	May 25, 2018	4,000	108,344	1.98
	Market Purchase	-	-	July 27, 2018	156	108,500	1.99
	At the end of the year	-	-	-	-	108,500	1.99
3.	Leena Sanjay Mehta	70,000	1.28	-	-	70,000	1.28
	At The End Of The Year	-	-	-	-	70,000	1.28
4.	N Sudhir	42,256	0.77	-	-	42,256	0.77
	Market Purchase	-	-	June 15, 2018	2665	44,921	0.82
	Market Purchase	-	-	July 13, 2018	3569	48,490	0.89
	Market Purchase	-	-	January 11, 2019	5	48,495	0.89
	Market Purchase	-	-	January 18, 2019	1366	49,861	0.91
	Market Purchase	-	-	January 25, 2019	634	50,495	0.92
	Market Purchase	-	-	March 15, 2019	150	50,645	0.93
	At the end of the year	-	-	-	-	50,645	0.93
5.	Sanjay Natwarlal Mehta	30,000	0.55	-	-	30,000	0.55
	Market Purchase	-	-	May 04, 2018	2,000	32,000	0.59
	At the end of the year	-	-	-	-	32,000	0.59
6.	Dinesh Patel	30,000	0.55	-	-	30,000	0.55
	At the end of the year	-	-	-	-	30,000	0.55
7.	Molakala Prasad Reddy [Huf]	27,000	0.49	-	-	27,000	0.49
	At the end of the year	-	-	-	-	27,000	0.49
8.	Rajul Rajankumar Desai	16,118	0.30	-	-	16,118	0.30
	At the end of the year	-	-	-	-	16,118	0.30
9.	Narpatkumar Kewalchand Chopra Huf.	15,324	0.28	-	-	15,324	0.28
	At the end of the year	-	-	-	-	15,324	0.28
10.	Rajendra Chhaganlal Desai	15,000	0.27	-	-	15,000	0.27
	At the end of the year	-	-	-	-	15,000	0.27

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 5,461,747 Shares.

2. The details of holding has been clubbed based on PAN.

3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year

(v) Shareholding of Directors & KMP							
Sr.		Shareholding at the beginning of the year - 2018		Transactions during the year - 2019		Cumulative Share holding during the year	
		NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1.	Dr. Pradip K Desai – Director						
	At the beginning of the year	1,306,880	24.92	-	-	1,306,880	24.92
	At the end of the year	-	-	-	-	1,306,880	24.92
2.	Mr. Viral P Desai - Managing Director						
	At the beginning of the year	563,527	10.32	-	-	563,527	10.32
	Market Purchase	-	-	April 13, 2018	200	563,727	10.32
	Market Purchase	-	-	August 03, 2018	3,800	567,527	10.39
	At the end of the year	-	-	-	-	567,527	10.39
3.	Dr. Pranav S Desai – Director						
	At the beginning of the year	28,040	0.51	-	-	28,040	0.51
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-	-	-
	At the end of the year	28,040	0.51	-	-	28,040	0.51

4. Mr. Sanjay Mehta – Director							
At the beginning of the year	30,000	0.55	-	-	30,000	0.55	
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	May 04, 2018	2,000	32,000	0.59	
At the end of the year	32,000	0.59	-	-	32,000	0.59	
5. Mr. N. Gopalaswami – Director							
At the beginning of the year	0.00	0.00	-	-	0.00	0.00	
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-	-	-	
At the end of the year	0.00	0.00	-	-	0.00	0.00	
6. Mr. Shyamal Ghosh - Director							
At the beginning of the year	0.00	0.00	-	-	0.00	0.00	
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-	-	-	
At the end of the year	0.00	0.00	-	-	0.00	0.00	
7. Mr. Kamlesh Patel - Director							
At the beginning of the year	0.00	0.00	-	-	0.00	0.00	
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-	-	-	
At the end of the year	0.00	0.00	-	-	0.00	0.00	
8. Dr. Sushil Shah - Director							
At the beginning of the year	0.00	0.00	-	-	0.00	0.00	
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-	-	-	
At the end of the year	0.00	0.00	-	-	0.00	0.00	
9. Dr. Manjula Subramaniam - Director							
At the beginning of the year	0.00	0.00	-	-	0.00	0.00	
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-	-	-	
At the end of the year	0.00	0.00	-	-	0.00	0.00	
10. Mr. Paras Desai - CFO*							
At the beginning of the year	2,000	0.01	-	-	2,000	0.01	
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-	-	-	
At the end of the year	2,000	0.01	-	-	2,000	0.01	
11. Ms. Samiksha Kansara - CS							
At the beginning of the year	0.00	0.00	-	-	0.00	0.00	
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-	-	-	
At the end of the year	0.00	0.00	-	-	0.00	0.00	

* Mr. Paras Desai was appointed as CFO with effect from August 9, 2018.

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	98,209,772	Nil	Nil	98,209,772
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	641,100	Nil	Nil	641,100
Total (i+ii+iii)	98,850,872	Nil	Nil	98,850,872
Change in Indebtedness during the financial year				
Additions	116,728,832	Nil	Nil	116,728,832
Reduction	173,441,174	Nil	Nil	173,441,174
Net Change	(56,712,342)	Nil	Nil	(56,712,342)
Indebtedness at the end of the financial year				
i) Principal Amount	41,940,129	Nil	Nil	41,940,129
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	198,402	Nil	Nil	198,402
Total (i+ii+iii)	42,138,531	Nil	Nil	42,138,531

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A. Remuneration to Managing Director, Whole time director and/or Manager:			
Sl.No	Particulars of Remuneration		Total Amount
1.	Gross salary	Mr. Viral P Desai	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	5,175,000	5,175,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2.	Stock option	0	0
3.	Sweat Equity	0	0
4.	Commission	0	0
	as % of profit	-	-
	others (specify)	-	-
5.	Others, please specify	-	-
	Retiral Benefits	1,123,160	1,123,160
	Total (A)	6,280,160	6,280,160
	Ceiling as per the Act	8,400,000	8,400,000

B) Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors				Total Amount
1.	Independent Directors	Dr. Sushil Shah	Mr. Shyamal Ghosh	Mr. N. Gopalaswami	Mr. Kamlesh Patel	
	(a) Fee for attending board committee meetings	15,000	40,000	40,000	35,000	130,000
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (1)	15,000	40,000	40,000	35,000	130,000
2.	Other Non Executive Directors	Mr. Sanjay Mehta	Dr. Pranav Desai	Late. Lataben P Desai	Dr. Pradip K Desai	
	(a) Fee for attending board committee meetings	30,000	10,000	25,000	25,000	90,000
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (2)	30,000	10,000	25,000	25,000	90,000
	Total (B)=(1+2)	45,000	50,000	65,000	60,000	220,000
	Total Managerial Remuneration					220,000
	Overall Ceiling as per the Act.					NA

C). Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL			Total Amount
		Company Secretary	CFO		
1.	Gross Salary	Samiksha Kansara	Minesh Patel	Paras Desai	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	192,000	133,901	4,267,758	4,593,658
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission	0	0	0	0
	as % of profit	0	0	0	0
	others, specify	0	0	0	0
5.	Others, please specify	0	0	0	0
	Retiral Benefits	0	1,809	63,176	64,985
	Total	192,000	135,710	4,330,934	4,658,644

*This includes Gratuity amount for those who are eligible for gratuity as per act

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There has been no Penalty OR Punishment OR Compounding of offenses against/by the Company, Directors and Other Officers in default under the provisions of the Companies Act, 2013 during the financial year 2018-19

For and on behalf of the Board

Date: May 17, 2019
Place: Surat

Viral P Desai
Managing Director
DIN : 00029219

Dr. Pradip K Desai
Non Executive Director
DIN : 00026451

CORPORATE GOVERNANCE CERTIFICATE

**To, The Members
Span Divergent Limited**

We have examined the compliance of the conditions of Corporate Governance by Span Divergent Limited for the year ended March 31, 2019 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Governance. It is neither an audit nor an expression of an 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 Regulations.

We state that in respect of investor grievances received during the year ended March 31, 2019, no investor grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

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

**FOR MITESH RANA & CO.,
COMPANY SECRETARIES**

MITESH RANA
COMPANY SECRETARY
ACS M. No.: 28113
COP: 12364

DATE: MAY 17, 2019
PLACE: SURAT

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Business objective of Span Divergent Limited (Span), its management and its employees is to manufacture and market the Company's products and offer services 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

- As on March 31, 2019, the Board of Directors is consisting of 9 (Nine) Directors with a Managing Director, Four Independent Non-Executive Directors, Three Non Independent Non Executive Director and One Woman Independent Non Executive Director. The Composition of Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the BSE Limited.
- None of the Directors on the Company's Board is holding office of the Director in more than 20 (twenty) Companies including 10 (ten) Public Companies. Independent Directors are also not holding office of Director in more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees across all the companies in he/she acts as Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2019 have been made by directors.
- Independent directors are non-executive directors as defined under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have given declaration confirming that they meet the criteria as mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.

A brief resume of the directors being re-appointed at the annual General Meeting, the nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership of the committees of the Board, is annexed to the Notice convening Annual General Meeting.

Composition, attendance at the Board Meetings during FY 2018-19 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, 2019

Director	No. of Board Meetings attended	Attendance at last AGM	No. of outside Directorship held	No. of Membership / Chairmanship in other Board Committees		Executive, Non - Executive / Independent
				Chairmanship	Membership	
Mr. N. Gopaldaswami	4	Yes	1	Nil	1	Independent Non-Executive Director
Ms. Lataben P. Desai*	5	Yes	Nil	Nil	Nil	Promoter Non-Executive Woman Director
Dr. Pradip K. Desai	5	Yes	5	Nil	1	Promoter & Non Executive Director
Mr. Viral P. Desai	5	Yes	4	Nil	Nil	Promoter & Executive Director
Mr. Sanjay N. Mehta	3	Yes	5	Nil	4	Non-Executive Director
Dr. Pranav S. Desai	2	No	1	Nil	1	Promoter & Non-Executive Director
Dr. Sushil K. Shah	3	No	10	Nil	Nil	Independent Non-Executive Director
Mr. Shyamal Ghosh	4	No	Nil	1	1	Independent Non-Executive Director
Mr. Kamlesh M Patel	3	Yes	1	1	2	Independent Non-Executive Director
Dr. Manjula Subramaniam**	NA	NA	2	Nil	Nil	Independent Non-Executive Director

*Ms. Lataben P Desai, Director of the Company had resigned with effect from March 23, 2019.

** Dr. Manjula Subramaniam was appointed as additional independent woman director of the company with effect from March 23, 2019.

Note: 1. This excludes directorship in company, overseas companies and partnership in LLPs.

2. Chairmanship & Membership in other Board Committee for Audit Committee & Stakeholders Relationship Committee only provided.

Details of Board Meetings

Date	Board Strength	No. of Directors present
May 16, 2018	9	7
August 09, 2018	9	8
October 30, 2018	9	7
January 24, 2019	9	8
March 23, 2019	9	5

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Agreement and Disclosures Requirements) Regulation, 2015, the Board has carried out the Annual Performance Evaluation of its own performance, the Directors Individually as well as the evaluation of working of its various committees. A separate exercise was carried out to evaluate the performance of Individual Directors including Chairman of the Board who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding interest of the Company and its minority shareholders. The performance evaluation of the Chairman and the Non Independent Director was carried out by the Independent Directors including overall performance of the Board as a whole at the meeting of Independent Directors held during the year under review and by Board as whole.

AUDIT COMMITTEE

The Audit Committee was reconstituted on May 23, 2014 in terms of enlighten provisions of the Companies Act, 2013. The Committee comprises of three Independent Directors, namely Mr. Shyamal Ghosh, Chairman, Mr. N. Gopaldaswami, Mr. Kamlesh M. Patel and Mr. Sanjay N. Mehta (Non Executive Director). Ms. Samiksha Kansara, 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 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year, four meetings of Audit Committee were held, i.e. on May 16, 2018, August 09, 2018, October 30, 2018, and March 23, 2019.

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

Name of Members	No. of Meetings held	No. of Meetings Attended
Mr. Shyamal Ghosh, Chairman	4	4
Mr. N. Gopaldaswami	4	4
Mr. Sanjay N. Mehta	4	3
Mr. Kamlesh M. Patel	4	3

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 (c) of sub section 3 of section 134 of the Companies Act, 2013
 - 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. Review and monitor the Auditor's independence and performance, and effectiveness of audit process
8. Approval or any subsequent modification of transaction of the Company with related parties
9. Scrutiny of inter-corporate loans and investments
10. Valuation of undertakings or assets of the Company, wherever it is necessary
11. Evaluation of internal financial controls and risk management systems
12. Reviewing with the management, performance of statutory and internal auditors , adequacy of internal control systems
13. Reviewing the adequacy of Internal audit function, if any, including the structures of the internal audit department, staffing, and seniority of the official heading the department, reporting structure, coverage and frequency of Internal Audit
14. Discussion with Internal Auditors of any significant findings and follow up there on
15. 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.
16. 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.
17. 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.
18. To review the functioning of the Whistle Blower mechanism.
19. 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.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. 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 Chief Internal Auditors shall be subject to review by the Audit Committee
22. Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the Company.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was reconstituted on May 23, 2014. The Nomination and Remuneration Committee comprises of three non executive directors of which two directors are independent directors & one Non Executive Director as on March 31, 2019.

There was a one nomination and remuneration committee meeting held during the year on January 24, 2019.

Name of Members	No. of Meetings held	No. of Meetings attended	Designation
Mr. Shyamal Ghosh	1	1	Independent Non-Executive Director
Mr. Sanjay N. Mehta	1	1	Non Executive Director
Mr. N. Gopaldaswami	1	1	Independent & Non-Executive Director

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.

The Role of Nomination and Remuneration Committee is as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evolution criteria in its Annual Report.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

Details of remuneration paid to all directors 2018-19

Name of the Director	Sitting Fee	Salary, Allowances & Perquisites	Contribution to Provident Fund and other funds & Retrial Benefits	Commission	Total
Sanjay Natwarlal Mehta	30,000	Nil	Nil	Nil	30,000
Pradipkumar Keshavlal Desai	25,000	Nil	Nil	Nil	25,000
Lataben Pradipkumar Desai*	25,000	Nil	Nil	Nil	25,000
Pranav Sureshbhai Desai	10,000	Nil	Nil	Nil	10,000
Viral Pradipkumar Desai	Nil	51,75,000	11,05,160	Nil	62,80,160
Sushil Kanubhai Shah	15,000	Nil	Nil	Nil	15,000
Shyamal Ghosh	40,000	Nil	Nil	Nil	40,000
Kamlesh Maganlal Patel	35,000	Nil	Nil	Nil	35,000
Needamangalam Gopaldaswami	40,000	Nil	Nil	Nil	40,000

*Ms. Lataben P Desai, Director of the Company resigned from directorship with effect from March 23, 2019

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/Goods & Services Act) to M/s. Akkad Mehta & Co., during the year.

NOMINATION AND REMUNERATION POLICY

Introduction:

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Objectives of the Committee:

The Committee shall:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Director and the Board
3. Devising a policy on Board diversity.
4. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
5. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

Definitions:

- **“Board”**:-Board means Board of Directors of the Company.
- **“Director”**:-Directors means Directors of the Company.
- **“Committee”**:-Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **“Company”**:- Company means Span Divergent Ltd.
- **“Independent Director”**:- As provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013, 'Independent director' shall mean a non-executive director, other than a nominee director of the company:
 - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company; (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
 - c. apart from receiving director's remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
 - d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
 - e. who, neither himself nor any of his relatives —
 - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
 - iii. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - iv. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm; holds together with his relatives two per cent or more of the total voting power of the company; or
 - v. holds together with his relatives two per cent or more of the total voting power of the company; or
 - vi. is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
 - vii. is a material supplier, service provider or customer or a lessor or lessee of the company;
 - f. who is not less than 21 years of age.

• **“Key Managerial Personnel”**:- Key Managerial Personnel (KMP) means-

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the Company Secretary;
- (iii) the Whole-Time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the applicable statutory provisions / regulations

• **“Senior Management”**:- The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:-

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

Constitution of the Nomination and Remuneration Committee:

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. At present, the Nomination and Remuneration Committee comprises of following Directors:

- i. Mr. Shyamal Ghosh, Chairman (Independent Director)
- ii. Mr. N. Gopaldaswami, (Independent Director)
- iii. Mr. Sanjay Mehta, (Non Executive Director)

General Appointment Criteria:

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.

Additional Criteria for Appointment of Independent Directors:

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of clause 49 of the Listing Agreement (as amended from time to time) and Companies Act, 2013.

Term / Tenure:

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Criteria for Evaluation of Independent Director and the Board:

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

1. Executive Directors:

The Executive Directors shall be evaluated on the basis of targets / Criteria given to executive Directors by the board from time to time

2. Non Executive Director:

The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) act objectively and constructively while exercising their duties;
- (b) exercise their responsibilities in a bona fide manner in the interest of the company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his independence
- (f) inform the Board immediately when they lose their independence,
- (g) assist the company in implementing the best corporate governance practices.
- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) strive to attend the general meetings of the company;
- (k) keep themselves well informed about the company and the external environment in which it operates;
- (l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- (n) Abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

Policy on Board Diversity:

The Board of Directors shall have the optimum combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development , Human Resources etc or as may be considered appropriate.

The Board shall have optimum combination of directors as per requirement of the Companies Act, 2013 and Listing Agreement as may be applicable.

Remuneration:

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

1. Director/ Managing Director

Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Director/ Managing Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

2. Non executive Independent Directors

The Non- Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

3. KMPs / Senior Management Personnel etc

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

STAKEHOLDER RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee comprises of 4 (Four) non-executive directors, namely Mr. Kamlesh M. Patel, Non Executive Independent Director & Chairman of Committee, other three non executive non independent directors i.e. Dr. Pranav S. Desai and Mr. Sanjay N. Mehta and Dr. Pradip K. Desai, Ms. Samiksha Kansara, Company Secretary is the Compliance Officer.

During the financial year 2018 – 19, the committee met four times on May 16, 2018, August 09, 2018, October 30, 2018 and January 24, 2019. The details of member are given below:

Name of Members	No. of Meetings held	No. of Meetings attended	Designation
Mr. Kamlesh Patel	4	3	Independent Non Executive Director
Dr. Pradipkumar. K. Desai	4	4	Non-Executive Director
Mr. Sanjay N. Mehta	4	3	Non-Executive Director
Dr. Pranav S Desai	4	1	Non-Executive Director

The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipts of annual report and non-receipts of declared dividends.

There was one complaint received from shareholders / investors during the year 201-19 and were solved to the satisfaction of the complainant 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.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has constituted Corporate Social Responsibility Committee on May 23, 2015. The Committee comprises of Mr. Kamlesh Patel, Independent Director, Mr. Sanjay Mehta, Non Executive Director and Mr. Viral P Desai, Executive Director.

There were no meeting of the committee held during the year.

GENERAL BODY MEETING

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

Year	Venue	Date	Time	Resolution passed
2017-18	Hall at 1st Floor, Samrudhdi, Annexi, 4th Floor, Makkai Pool, Nanpura, Surat – 395 001	September 28, 2018	11:00 a.m.	-
2016-17	Science Center Auditorium, City Light Road, Surat – 395 007	September 22, 2017	11:00 a.m.	-
2015-16	Science Center Auditorium, City Light Road, Surat – 395 007	September 12, 2016	10:30 a.m.	<ul style="list-style-type: none"> Re-appointment of Mr. Viral P Desai as Managing Director of the Company for a further period on 3 years with effect from July 01, 2016 Approval of Related Party Transaction limit

II) Whether any special resolution passed last year through postal ballot – details of voting pattern: None

III) Person who conducted the postal ballot exercise: Not Applicable

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

V) Procedure for postal ballot: Not applicable

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. 26 to the Accounts for details of transactions with the related parties. During the year 2017 - 18, 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 on any matter relating to the capital markets, during the last three years.

There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or 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.spandivergent.com/www.span.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 2018-19.

Viral P. Desai

Managing Director

DIN 00029219

There is no interest relationship between the directors of the Company except Mr. Viral P Desai, Mr. Pradipkumar K Desai who are relative of each other.

Whistle Blower Mechanism/Vigil 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. Company also affirms that no personnel has been denied access to the audit Committee.

The Company has complied with the mandatory requirements of Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 providing for corporate governance. In view of elaborate disclosure requirement under listing agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, 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 all non-mandatory requirements. The Company will consider their adoption at an appropriate stage.

Reconciliation of share capital audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital of the Company. The audit report confirms that the total issued / paid up capital is in agreement with the total number of share in physical form and the total number of dematerialized shares held with NSDL and CDSL.

MEANS OF COMMUNICATION

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

The quarterly and annual results are generally published in edition of the Financial Express, Ahmedabad and Dhabkar, Surat. Official news releases and presentations, if any, made to analyst are sent to the stock exchange at Mumbai, where shares of the Company are listed.

CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from the Mitesh Rana & Co., Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is attached to the Directors' Report forming part of the Annual Report.

CEO/CFO CERTIFICATION

The Managing Director of the Company and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

GENERAL SHAREHOLDER INFORMATION**(a) Annual General Meeting**

Day, Date & Time	Friday, September 27, 2019 at 11:00 a.m.
Venue	Hall at 1 st Floor, Samruddhi Building, Makkai Pool, Nanpura, Surat – 395 001

(b) Financial Calender

Financial Year: April 1 to March 31

For the financial year 2018-19, the results were announced as per the following details:

1st Quarter ended on June 30, 2018	On August 09, 2018
2nd Quarter ended on September 30, 2018	On October 30, 2018
3rd Quarter ended on December 31, 2018	On January 24, 2019
Audited Financial Result for the year ended on March 31, 2019	On May 17, 2019

For the financial year 2019-20, financial results will be announced as per the following tentative schedule:

1st Quarter ended on June 30, 2019	Second week of August, 2019
2nd Quarter ended on September 30, 2019	Last week of October, 2019
3rd Quarter ended on December 31, 2019	First week of February, 2020
Audited Financial Result for the year ended on March 31, 2020	Last week of May, 2020

(c) Date of Book Closure

The Company's Register of Member's & Share Transfer Book will remain closed from September 17, 2019 to September 27, 2019 (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 2018-19 on the Bombay Stock Exchange Limited, Mumbai.

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April	42.45	32.75	October	32.60	26.05
May	40.00	32.10	November	32.60	28.10
June	41.00	25.50	December	31.75	26.75
July	40.00	28.00	January	26.05	25.00
August	39.00	30.00	February	24.75	21.00
September	37.25	25.50	March	24.10	22.90

(f) Performance in Comparison to BSE Sensex

Month & Year	Closing Sensex	% Change	Closing Price of Company's share	% change
April 2018	35160.36	6.65	37.45	-3.97
May 2018	35322.38	0.46	32.90	-12.15
June 2018	35423.48	0.29	36.35	10.49
July 2018	37606.58	6.16	35.95	-1.10
August 2018	38645.07	2.76	31.10	-13.49
September 2018	36227.14	-6.26	27.65	-11.09
October 2018	34442.05	-4.93	32.60	17.90
November 2018	36194.30	5.09	30.25	-7.21
December 2018	36068.33	-0.35	27.05	-10.58
January 2019	36256.69	0.52	26.00	-3.88
February 2019	35867.44	-1.07	23.00	-11.54
March 2019	38672.91	7.82	27.95	21.52

(g) Registrar & Transfer Agents & Share Transfer System

Link Intime India Private Limited
C – 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083
Telephone No.: +91 22 49186000, Fax: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

The requests for share transfer involving 26,900 shares are processed and approved by the Registrar & Transfer Agents under the delegated authority. Other valid requests are placed before the Stakeholders Relationship Committee. The minutes of the Stakeholders Relationship 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.

(h) Categories of Shareholding and Dematerialisation of Shares as on March 31, 2019

Category	Numbers of shares in physical form	Number of shares in dematerialized form	Number of total shares	Percentage of aggregate holding to total share capital
Promoters	43,200	3,453,599	3,496,799	64.02%
Foreign Institutional investors	-	-	-	-
Public financial institutions	-	-	-	-
Mutual funds	-	-	-	-
Nationalized banks and other banks	-	-	-	-
NRI's and OCB's	64,000	639,626	703,626	12.88%
Others (includes holding of Corporate Bodies)	166,404	1,094,918	1,261,322	23.09%
TOTAL	273,604	5,188,143	5,461,747	100%
Percentage	5.01	94.99	100	100%

(i) Distribution of Share Holding as on March 31, 2019

No. of Share	Number of shareholders	Percentage of Total	Number of shares	Percentage of total shares
1 to 500	1,966	85.11	329,236	6.03
501 to 1000	157	6.80	128,096	2.35
1001 to 2000	75	3.38	122,568	2.24
2001 to 3000	26	1.13	66,756	1.22
3001 to 4000	19	0.82	69,617	1.27
4001 to 5000	9	0.39	43,883	0.80
5001 to 10000	16	0.69	120,678	2.21
10001 and above	39	1.69	4,580,913	83.87
Total	2,310	100	5,461,747	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, 2019.

(k) Plant Location: Not Applicable

(l) Registered Office & Address for correspondence:

Floor, 902 – 904, Rajhans Bonista, Behind Ram Chowk Temple, Ghod Dod Road, Surat – 395 007

Email: secretarial@span.co.in

Website: www.spandivergent.com

Place: Surat

Date: May 17, 2019

For and on behalf of the Board

Viral P Desai
Managing Director
DIN: 00029219

Dr. Pradip K Desai
Non Executive Director
DIN: 00026451

To,
The Members
Span Divergent Limited
CIN: L74999GJ1980PLC003710

This is to certify that on verification of declarations made by the Directors and records maintained by Span Divergent Limited ("the Company"), none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities Exchange Board of India (SEBI) / Ministry of Corporate Affairs or any such Statutory Authority as per the requirements of point 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Mitesh Rana & Co.,
Company Secretaries

Mitesh Rana
Proprietor
Membership No.: ACS 28113
CP No.: 12364

Date: May 17, 2019

Place: Surat

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Span Divergent Limited
Formerly Span Diagnostics Limited
Surat

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Span Divergent Limited** (hereinafter referred to as "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 prima facie complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Span Divergent Limited** ("**Company**") for the financial year ended on March 31, 2019, according to the provisions of:

- i. The Companies Act, 2013 (**the Act**), and the Rules made thereunder; The Companies Act, 1956 to the extent applicable
- ii. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **and amendments from time to time**
 - d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employees Benefits) Regulation, 2014 (**Not Applicable**)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable since the company has not issued and debt securities during the year under review.**)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client (**Not applicable. The Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review**)
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable. The shares of the Company are not delisted at any stock exchange during the under review**) and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable. The Company not bought back any shares / securities during the year under review.**)

Our Scope of Audit for the compliance check for all other applicable laws to the Company from time to time (As briefed in Annexure A) to the extent applicable, was limited to comment with respect to proper systems in place to ensure compliance of various requirements of the stated laws. In respect of the same, as explained and confirmed to us by management, prima facie, there are adequate system checks implemented by management of the company to ensure compliance of the applicable provisions of the stated law, during the period under review.

Further, in respect of labour laws applicable to the company (As briefed in Annexure B), the company has proper systems in place to ensure compliance of various requirements of the stated laws. In respect of the same, as explained and confirmed to us by management and on an examination of various records, registers etc. kept and maintained by the Company, prima facie, the Company has complied with the stated applicable labour laws to the company, from time to time, during period under review to the extent applicable.

We have also examined compliance with the applicable clauses of the following:

- 1) Applicable Secretarial Standards issued by The Institute of Company Secretaries of India.
- 2) The Equity Listing Agreements entered into by the Company with the BSE Limited
- 3) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

During the period under review, prima facie, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned herein above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has:

1. During the year under review, Company had transferred 44,113 Equity Shares to IEPF Authority.
2. The Company's Promoter is in process of complying with SEBI Circular No. CIR/SD/3/2011 dated June 17, 2011 regarding demat of total promoter's shareholding. There are 43,200 Equity Shares of INR 10 each held in physical form by promoter of the Company.

FOR MITESH RANA & CO.,
COMPANY SECRETARIES

MITESH RANA
COMPANY SECRETARY
ACS M. No.: 28113
COP: 12364

DATE: MAY 17, 2019
PLACE: SURAT

Note: This report is to be read with assumptions/limitations as mentioned in Annexure "C" and our letter of even date which is annexed as "Annexure D" forming an integral part of this report.

Annexure “A”

1. The Indian Copyright Act, 1957
2. The Patents Act, 1970
3. The Trade Marks Act, 1999

Annexure “B”

A. LABOUR & INDUSTRIAL LAWS

1. Apprentices Act, 1961
2. Contract Labour (Regulation and Abolition) Act, 1970
3. Employees Provident Fund and Miscellaneous Provisions Act, 1951 & Employees Provident Funds Scheme, 1952
4. Equal Remuneration Act, 1976 and Rules, 1976
5. Industrial Disputes Act, 1947
6. Industrial Employment (Standing Orders) Act, 1946
7. Maternity Benefit Act, 1961
8. Minimum Wages Act, 1948
9. Workmen's Compensation Act, 1923
10. Payment of Bonus Act, 1965 & the Payment of Bonus Rules, 1975
11. Payment of Gratuity Act, 1972 & The Payment of Gratuity (Central) Rules, 1972
12. Payment of Wages Act, 1936
13. The Employees' State Insurance Act, 1948
14. The employees' State Insurance (General) Regulations, 1950
15. Factories Act, 1948
16. Personal Injuries Compensation Insurance Act, 1963 and Personal Injuries (Compensation Insurance) Rules, 1972
17. Employment Exchanges (Compulsory Notification of vacancies) Act, 1959 and The Employment Exchanges (Compulsory Notification of Vacancies) Rules, 1960
18. Supreme Court Guidelines on Prohibition of Sexual Harassment of Women at Work Place (Visaka v. State of Rajasthan)
19. Public Liability Insurance Act, 1991 and Public Liability Insurance Rules, 1991
20. Sales Promotion (Employees Conditions of Service) Act, 1976

B. CENTRAL ENVIRONMENT AND SAFETY LAWS

1. Environment Protection Act, 1986 and Environment (Protection) rules, 1986
2. Hazardous Wastes (Management and Handling) Rules, 1989
3. Manufacture, Storage And Import of Hazardous Chemicals Rules, 1989
4. The Water (Prevention And Control of Pollution) Act, 1974
5. The Air (Prevention And Control of Pollution) Act, 1974
6. Water (Prevention and Control of Pollution) Cess Act 1977 and Water (Prevention and Control of Pollution) Cess Rules 1978

Annexure “C”

Assumption and limitations:

- a) For the purpose of this Secretarial Audit of Span Divergent Limited (the Company), we have assumed (without making any investigation) that:
- i) All signatures, stamps and seals on the documents submitted to us are genuine.
 - ii) The information given by the Company in the documents are true and correct and the Company is not aware of any omission of material fact or information in the documents which may cause the documents to be misleading.
 - iii) The documents executed by the Company thereto have been executed by the persons authorised to execute the same pursuant to resolutions of the board of directors of the company.
 - iv) There have been no amendments to the documents submitted to us.
 - v) There are no arrangements between any of the parties to the documents which modify or supersede any of the terms of the documents
 - vi) The board resolution have been properly passed in accordance with the articles of association of company (including, that any meeting convened was properly convened) and all directors who participated and voted are entitled so to do and are duly appointed and
 - vii) No further resolution has been subsequently passed which has revoked or amended any of the resolutions.
- (b) We have examined the laws of India, as currently applied by Indian courts, as in our judgment is necessary for the purpose of this Report. We do not purport to be qualified to express an opinion, and we do not express any opinion, as to the laws of any jurisdiction other than India. This Report is strictly limited to the matters stated in the paragraph and does not extend to any other matter.
- (c) We have not conducted due diligence on the Company. We have not conducted any physical verification or valuations of the assets of the Company, our observation set out herein are limited to issues and risks arising out of legal matters. We have not examined the implications or business issues that may arise out of the commercial transactions or tax or regulatory matters as they do not fall within the scope of our review.
- (d) Our understanding of the facts is based upon and limited to the information/documents provided to us. We have no reason to believe that information or any of the documents provided to us are not genuine. Any variance of facts or of law may cause a corresponding change in the analysis set out in this Report.

“Annexure D”

**To,
The Members
Span Divergent Limited
Surat**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**DATE: MAY 17, 2019
PLACE: SURAT**

**FOR MITESH RANA & CO.,
COMPANY SECRETARIES**

**MITESH RANA
COMPANY SECRETARY
ACS M. No.: 28113
COP: 12364**

INDEPENDENT AUDITOR'S REPORT

To the Members of Span Divergent Limited
(Formerly known as Span Diagnostics Limited)

Report on the Audit of the Standalone Ind AS Financial Statements**Opinion**

We have audited the accompanying standalone Ind AS financial statements of Span Divergent Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2019, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report:

Key Audit Matter	How was the matter addressed in our audit
<p>Impairment assessment of carrying value of investments in LLPs (Refer Note 6(a)(i) and Note 29 to the standalone financial statements)</p> <p>The Company has investments in LLPs of Rs. 2,335.90 lakhs (after impairment losses on investments) as Partners' Capital by way of fixed as well as fluctuating capital.</p> <p>The Management has assessed the impairment of its investment in its aforesaid LLPs by reviewing the business forecasts of the LLPs, using discounted cash flow valuation model (the "model") and noted that except one LLP, i.e., Biospan Scientific LLP, no provision for impairment is required to be made in respect of these investments as they are considered good. Biospan Scientific LLP has incurred a net loss of Rs. 9.82 lakhs during the year ended March 31, 2019 and has accumulated losses as of that date, which has led to substantial erosion in the net worth. Hence, the Company has impaired its investment in the LLP by Rs. 183.09 lakhs and disclosed the same as an exceptional item during the year.</p> <p>We have considered this as a key audit matter due to significant judgment involved in estimating future cash flows in the model prepared by the Management to support the carrying value of above investments and determining significant assumptions of discount rate, terminal growth rate, etc. adopted in the model.</p>	<p>Our audit procedures on impairment testing of investments in LLPs includes the following :</p> <ul style="list-style-type: none"> • Obtained understanding and evaluated the design and implementation of the processes and internal controls relating to impairment of investments in LLPs; • Tested the operating effectiveness of the Company's controls over review of impairment assessment of investments in subsidiaries; • Performed the following substantive procedures: <ol style="list-style-type: none"> i. Assessed reasonableness of the Management's historical business forecasts by comparing the business forecasts used in the prior year with the actual performance in the current year; ii. Tested the mathematical accuracy of the underlying model, reviewing reasonableness of the assumptions/ information considered in the model by examining source data and supporting documentation and checking the impairment assessment prepared by the management; iii. Compared the business forecasts with the latest Board approved budgets; iv. Considered the work of external independent valuation expert engaged by the Company; v. Assessed the independent valuation expert's methods, competency and objectivity; vi. Obtained understanding of the operating parameters used in the model and assessing consistency of our understanding of parameters with those considered in the model; and vii. Performed sensitivity tests on the model by analysing the impact of using alternate assumptions for discount rates, terminal growth rates, etc. within a reasonable and foreseeable range.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Annual Report 2018-19

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;
 - e. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2";
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act;
In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration has been paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its stand alone Ind AS financial statements – Refer Note 20 on Contingent Liabilities to the stand alone Ind AS financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co.LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Hemant J. Bhatt
Partner
Membership No.036834

Place: Surat
Date: May 17, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Span Divergent Limited ("the Company") on the standalone Ind AS financial statements for the year ended March 31, 2019]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) During the year, fixed assets have not been physically verified by the management. However, 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) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- (ii) There was no inventory during the year. Therefore, clause 3 (ii) of the Order is not applicable to the Company.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clauses 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of sections 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, customs duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
(b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, goods and service tax, customs duty and excise duty, which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, clause 3(ix) of the Order is not applicable to the Company.
- (x) 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 by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable and the details have been disclosed in the standalone Ind AS financial statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co.LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Hemant J. Bhatt
Partner
Membership No.036834

Place: Surat
Date: May 17, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Span Divergent Limited on the standalone Ind AS financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Span Divergent Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co.LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Hemant J. Bhatt
Partner
Membership No.036834

Place: Surat
Date: May 17, 2019

SPAN DIVERGENT LIMITED
(Formerly known as Span Diagnostics Limited)
Balance sheet as at March 31, 2019

	Notes	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	71,477,249	78,572,426
Investment properties	4	9,557,156	13,650,815
Intangible assets	5	639,921	558,804
Intangible assets under development	5	130,244	-
Financial assets			
i. Investments	6(a)(i)	234,266,520	215,266,456
Total non-current assets		316,071,090	308,048,501
Current assets			
Financial assets			
i. Investments	6(a)(ii)	163,616,059	254,982,265
ii. Trade receivables	6(b)	2,414,352	2,872,504
iii. Cash and cash equivalents	6(c)(i)	4,398,560	9,610,541
iv. Bank balances other than (iii) above	6(c)(ii)	81,007	232,551
v. Others	6(d)	1,821,580	3,304,685
Current tax Assets (Net)		2,868,358	3,980,965
Other current assets	7	4,715,792	5,347,366
Total current assets		179,915,708	280,330,877
Total assets		495,986,798	588,379,378
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8(a)	54,617,470	54,617,470
Other equity	8(b)	386,255,751	419,472,911
		440,873,221	474,090,381
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	9(a)	668,746	914,255
Provisions	10	2,441,606	3,574,606
Deferred tax liabilities (Net)	11	4,716,768	3,646,326
Total non-current liabilities		7,827,120	8,135,187
Current liabilities			
Financial liabilities			
i. Borrowings	9(a)	40,998,627	97,044,541
ii. Trade payables	9(c)	916,720	155,988
iii. Other financial liabilities	9(b)	2,751,373	3,262,256
Other current liabilities	12	512,400	1,819,922
Provisions	10	2,107,337	3,871,103
Total current liabilities		47,286,457	106,153,810
Total liabilities		55,113,577	114,288,997
Total equity and liabilities		495,986,798	588,379,378
Corporate information & Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements.
In terms of our report attached

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No: 103523W / W100048

For and on behalf of the Board of Directors
Span Divergent Limited

Viral P. Desai
Managing Director
DIN : 00029219

Dr. Pradip K. Desai
Director
DIN : 00026451

Hemant J. Bhatt
Partner
Membership No: 036834

Paras Desai
CFO

Samiksha Kansara
Company Secretary

Place : Surat
Date : May 17, 2019

Place : Surat
Date : May 17, 2019

SPAN DIVERGENT LIMITED
(Formerly known as Span Diagnostics Limited)
Statement of Profit and Loss for the year ended March 31, 2019

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Continuing operations			
Revenue from operations	13(a)	17,284,536	16,959,029
Other income	13(b)	12,339,432	34,114,222
Total income		29,623,968	51,073,251
Expenses			
Purchases of stock-in-trade	14	-	671,670
Employee benefit expense	15	17,135,728	31,369,219
Finance costs	16	1,725,733	7,043,235
Depreciation and amortisation expense	17	11,234,771	5,555,725
Donation		4,300,000	10,503,000
Other expenses	18	8,266,370	17,300,213
Total expenses		42,662,609	72,443,062
Profit before exceptional items and tax		(13,038,641)	(21,369,811)
Exceptional items	29	(18,310,183)	(6,395,461)
Profit/(Loss) before tax		(31,348,824)	(27,765,272)
Tax expense	19		
- Current tax		-	774,205
- Deferred tax		1,072,662	2,248,989
Profit/(Loss) for the period from continuing operations		(32,421,486)	(30,788,465)
Other comprehensive income			
Remeasurement costs of Post employment benefits		(797,894)	(31,384)
Deferred tax on post employment		2,220	10,966
Other comprehensive income for the year, net of tax		(795,674)	(20,418)
Total comprehensive income for the year		(33,217,160)	(30,808,884)
Earnings per equity share for profit from operation attributable to owners of the entity:			
Basic earnings per share	22	(5.94)	(5.64)
Diluted earnings per share	22	(5.94)	(5.64)
Corporate information & Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements.
In terms of our report attached

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No: 103523W / W100048

For and on behalf of the Board of Directors
Span Divergent Limited

Viral P. Desai
Managing Director
DIN : 00029219

Dr. Pradip K. Desai
Director
DIN : 00026451

Hemant J. Bhatt
Partner
Membership No: 036834

Paras Desai
CFO

Samiksha Kansara
Company Secretary

Place : Surat
Date : May 17, 2019

Place : Surat
Date : May 17, 2019

SPAN DIVERGENT LIMITED

(Formerly known as Span Diagnostics Limited)

Statement of cash flows for the year ended March 31, 2019

	Year ended 31 March 2019	Year ended 31 March 2018
Profit before income tax	(31,348,824)	(27,765,272)
Adjustments for		
Depreciation and amortisation expense	11,234,771	5,555,725
Gain on disposal of property, plant and equipment	-	(8,209,400)
Dividend and interest income classified as investing cash flows	-	(503,409)
Rental Income	(2,902,829)	(2,421,746)
Interest Income	(3,217,284)	(7,989,477)
Gain on Sale of Investments	(2,100,093)	(9,232,130)
Finance Cost	1,725,733	7,043,235
Financial Guarantee Fees Income	(1,450,000)	(900,000)
Balances Written Back	(2,667,985)	(149,154)
Impairment Provision for LLP Subsidiaries	(18,310,183)	-
Loan Written off	-	1,589,562
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	458,153	(2,872,504)
Increase in trade payables	3,279,563	(813,638)
(Increase) in other financial assets	1,483,104	35,242,869
(Increase)/decrease in other non-current assets	-	23,651,224
(Increase)/decrease in other current assets	631,574	(208,801)
Increase/(decrease) in provisions	(3,672,021)	9,975,742
Increase/(decrease) in other financial liabilities	(510,883)	541,432
Increase in other current liabilities	(1,307,522)	251,601
Cash generated from operations	(48,674,726)	22,785,859
Income taxes paid	(1,112,607)	(1,637,604)
Net cash inflow from operating activities	(47,562,119)	24,423,463
Cash flows from investing activities		
(Purchase)/Redemption of investments	90,591,336	(23,387,280)
Proceeds from sale of investments	2,100,093	9,232,130
Purchase of property, plant and equipment	257,296	(30,189,512)
Proceeds from sale of property, plant and equipment	-	8,209,400
Dividends received	-	503,409
Rental Income	2,902,829	2,421,746
Interest received	4,667,284	7,989,477
Net cash outflow from investing activities	100,518,838	(25,220,631)
Cash flows from financing activities		
Proceeds/Repayment from borrowings	(5,6291,423)	13,863,590
Payment towards unclaimed dividend	(151,544)	(131,214)
Interest paid	(1,725,733)	(7,043,235)
Net cash inflow (outflow) from financing activities	(58,168,700)	6,689,140
Net increase (decrease) in cash and cash equivalents	(5,211,981)	5,891,973
Cash and cash equivalents at the beginning of the financial year	9,610,541	3,718,569
Cash and cash equivalents at end of the year	4,398,560	9,610,541
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
	Year ended March 31, 2019	Year ended March 31, 2018
Balances with banks		
Cash on hand	4,397,934	9,547,627
Cash on hand	626	62,914
Balances per statement of cash flows	4,398,560	9,610,541
Corporate information & Summary of significant accounting policies	1 & 2	

The accompanying notes are an integral part of the financial statements.
In terms of our report attached

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No: 103523W / W100048

For and on behalf of the Board of Directors
Span Divergent Limited

Viral P. Desai
Managing Director
DIN : 00029219

Dr. Pradip K. Desai
Director
DIN : 00026451

Hemant J. Bhatt
Partner
Membership No: 036834

Paras Desai
CFO

Samiksha Kansara
Company Secretary

Place : Surat
Date : May 17, 2019

Place : Surat
Date : May 17, 2019

SPAN DIVERGENT LIMITED
(Formerly known as Span Diagnostics Limited)
Statement of Changes in Equity for the year ended March 31, 2019

a. Equity share capital

	Notes	Amount
Issue of Share Capital	10	-
As at 31 March 2018	10	54,617,470
Issue of Share Capital	10	-
As at 31 March 2019	10	54,617,470

b. Other Equity

	Reserves and Surplus		
	Capital Redemption Reserve	Capital Reserve	Retained Earnings
Opening Balance as on 31.03.2017	18,142,530	4,205,775	427,933,490
Add: Loss for the year	-	-	(30,788,465)
Total Comprehensive Income for the year	-	-	(20,418)
Balance as on 31.03.2018	18,142,530	4,205,775	397,124,606
Add: Loss for the year	-	-	(32,421,486)
Total Comprehensive Income for the year	-	-	(795,674)
Balance as on 31.03.2019	18,142,530	4,205,775	363,907,446

The accompanying notes are an integral part of the financial statements.
In terms of our report attached

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No: 103523W / W100048

For and on behalf of the Board of Directors
Span Divergent Limited

Viral P. Desai
Managing Director
DIN : 00029219

Dr. Pradip K. Desai
Director
DIN : 00026451

Hemant J. Bhatt
Partner
Membership No: 036834

Paras Desai
CFO

Samiksha Kansara
Company Secretary

Place : Surat
Date : May 17, 2019

Place : Surat
Date : May 17, 2019

SPAN DIVERGENT LIMITED**Notes to financial statements for the year ended March 31, 2019**

(All amounts are in Indian Rupees except for share data or otherwise stated)

1. Corporate Information

Span Divergent Limited is Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. Its shares are listed on Bombay Stock Exchange. The Company has sold its In-Vitro Diagnostics business on March 05, 2015 and has evaluated various business options for developing of new business lines through forming various special purpose vehicles LLPs.

2. Statement of significant accounting policies**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

2.2 Summary of significant accounting policies**(a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(b) Functional and presentation currency

The financial statements are presented in INR which is also the Company's functional currency.

(c) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(d) Revenue recognition

- a. The Company recognises revenue on the sale of products when risks and rewards of the ownership are transferred to the customer. Sales are accounted net of amount recovered towards, GST and sales returns.
- b. Sales returns are accounted on actual receipt of return goods / settlement of claims.
- c. Interest income is recognised on pro-rate basis.
- d. Income from mutual funds is recognised when the Company's right to receive the payment is established, and unit holders' right to receive payment is established.

(e) Taxes**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT)

Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(f) Property, plant and equipment

Under the previous GAAP (Indian GAAP), Property, Plant and Equipment were carried in the balance sheet at cost of acquisition. The Company has elected to regard those values of assets as deemed cost at the date of the acquisition since they were broadly comparable to fair value. The Company has also determined that cost of acquisition or construction does not differ materially from fair valuation as at April 01, 2016 (date of transition to Ind AS).

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation is calculated on a Written down value over the estimated useful lives as per Schedule 2 of The Companies Act, 2013

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end and adjusted prospectively, if appropriate.

(g) Intangible Assets

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.

(h) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

(j) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

(k) Employee Benefits

a. Retirement Benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

b. Compensated Expenses

The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the period-end/ year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

c. Other Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Equity investments:

In respect of equity investments, when an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries and associates either:

- (a) at cost; or
- (b) in accordance with Ind AS 109.

If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

- (a) cost determined in accordance with Ind AS 27; or
- (b) deemed cost. The deemed cost of such an investment shall be its:
 - (i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or
 - (ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary or associate that it elects to measure using a deemed cost.

Since the company is a first time adopter it has measured its investment in subsidiary and associate at deemed cost in accordance with Ind AS 27 by taking previous GAAP carrying amount.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a) the rights to receive cash flows from the asset have expired, or
- b) the Company has transferred its rights to receive cash flows from the asset, and
 - i. the Company has transferred substantially all the risks and rewards of the asset, or
 - ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18
- c) Loan commitments which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- ▶ All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- ▶ Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- ▶ Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- ▶ Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 14.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

(m) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(n) Segment Reporting

The Board of Directors assess the financial performance of the Company and make strategic decisions and has been identified as being the Chief Operating Decision Maker (CODM). Based on the internal reporting provided to the CODM, the Company has only one reportable segment i.e. the Activities of Head Offices, Management Services Activities and hence no separate disclosures are required under Ind AS 108.

(o) 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.

(p) Earnings per Share

The Basic earning per Share ("EPS") is computed by dividing the net profit/(loss) after tax for the year attributable to equity share holder by the weighted average number of equity shares outstanding during the year. 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.

Note 3: Property, plant and equipment and Capital work-in-progress

Particulars	As at	
	March 31, 2019	March 31, 2018
Carrying amount of:		
Freehold land*	33,278,724	33,278,724
Computers	66,769	258,260
Office equipment	653,388	1,179,165
Buildings & Roads	24,776,634	26,044,216
Vehicles	2,300,180	3,344,100
Electrical Installment	470,418	632,189
Leasehold Improvements	592,134	1,236,311
Furniture and fixtures	2,085,776	2,813,610
Compound Wall	7,253,226	9,785,850
Total Tangible assets	71,477,249	78,572,426

Note : 3.1 Property, plant and equipment

Description of Assets	Freehold land	Computers	Office equipment	Buildings & Roads	Vehicles	Electrical Installment	Leasehold Improvements	Furniture & fixtures	Compound Wall	Total
At Cost										
Opening Balance	33,278,724	714,797	1,904,167	6,282,566	4,707,513	630,333	2,687,240	1,900,539	-	52,105,879
Additions	-	198,337	900,965	27,209,411	1,639,016	367,726	-	2,168,284	10,213,107	42,696,846
Deletions	-	-	-	6,282,566	-	-	-	-	-	6,282,566
March 31, 2018	33,278,724	913,134	2,805,132	27,209,411	6,346,529	998,059	2,687,240	4,068,823	10,213,107	88,520,159
Additions	-	-	-	-	-	2,410	-	-	-	2,410
Deletions	-	237,939	-	-	-	-	-	-	-	237,939
March 31, 2019	33,278,724	675,195	2,805,132	27,209,411	6,346,529	1,000,469	2,687,240	4,068,823	10,213,107	88,284,630
Depreciation										
Opening Balance	-	303,428	1,039,579	2,823,617	1,655,922	209,582	806,752	652,749	-	7,491,630
Charge for the year	-	351,446	586,387	1,333,544	1,346,507	156,287	644,177	602,464	427,257	5,448,069
Deletions	-	-	-	2,991,966	-	-	-	-	-	2,991,966
March 31, 2018	-	654,874	1,625,967	1,165,195	3,002,429	365,869	1,450,930	1,255,213	427,257	9,947,733
Charge for the year	-	142,080	525,777	1,267,582	1,043,920	164,181	644,176	727,834	2,532,624	7,048,174
Deletions	-	188,527	-	-	-	-	-	-	-	188,527
March 31, 2019	-	608,426	2,151,744	2,432,777	4,046,349	530,050	2,095,106	1,983,047	2,959,881	16,807,380
Net Block										
March 31, 2018	33,278,724	258,260	1,179,165	26,044,216	3,344,100	632,189	1,236,311	2,813,610	9,785,850	78,572,426
March 31, 2019	33,278,724	66,769	653,388	24,776,634	2,300,180	470,418	592,134	2,085,776	7,253,226	71,477,250

* Land has been pledged as security for borrowings.

Note 4: Investment properties

	March 31, 2019	March 31, 2018
Carrying amount		
Opening carrying amount / Deemed cost	13,650,815	13,650,815
Addition during the year	-	-
Closing carrying amount	13,650,815	13,650,815
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge	4,093,659	-
Closing accumulated depreciation	4,093,659	-
Net carrying amount	9,557,156	13,650,815

(i) Amounts recognised in profit or loss for investment properties

	March 31, 2019	March 31, 2018
Rental income	202,829	164,246
Direct operating expenses from property that generated rental income	65,893	57,677
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties	136,936	106,569

(ii) Fair value

	March 31, 2019	March 31, 2018
Investment properties	13,650,815	13,650,815

Estimation of fair value

The Company assesses for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties.

Note 5: Intangible assets and Intangible under development

Particulars	As at	
	March 31, 2019	March 31, 2018
Carrying amount of:		
Software	46,365	76,368
Trademark	593,556	482,436
Intangible assets under development	130,244	-
Total Intangible assets	770,165	558,804

Note : 5.1 Intangible assets and Intangible under development

Description of Assets	Software	Trademark	Total
At Cost			
Opening Balance	164,377	543,474	707,851
Additions	-	26,183	26,183
Deletions	-	-	-
March 31, 2018	164,377	569,657	734,034
Additions	-	179,637	179,637
Deletions	-	-	-
March 31, 2019	164,377	749,294	913,671
Depreciation			
Opening Balance	38,591	28,993	67,584
Charge for the year	49,418	58,228	107,647
Deletions	-	-	-
March 31, 2018	88,009	87,221	175,230
Charge for the year	30,003	68,517	98,520
Deletions	-	-	-
March 31, 2019	118,012	155,738	273,750
Net Block			
March 31, 2018	76,368	482,436	558,804
March 31, 2019	46,365	593,556	639,921

Note 6: Financial assets**6(a)(i) Non-current investments**

	March 31, 2019	March 31, 2018
Investment in Subsidiaries		
Investment in LLPs		
Aranya Agri Biotech LLP		
-Fixed Capital	99,000	99,000
-Fluctuating Capital	66,602,088	62,883,724
	66,701,088	62,982,724
Biospan Scientific LLP		
-Fixed Capital	99,000	99,000
-Fluctuating Capital	18,210,360	22,161,880
	18,309,360	22,260,880
Less: Impairment Loss on Permanent Diminution of the Investment	18,309,360	-
	-	22,260,880

Dry Fruit Factory LLP		
-Fixed Capital	99,000	97,000
-Fluctuating Capital	165,360,353	128,722,774
	<u>165,459,353</u>	<u>128,819,774</u>
Span Diagnostics LLP		
-Fixed Capital	99,000	99,000
-Fluctuating Capital	55,902	52,901
	<u>154,902</u>	<u>151,901</u>
Desai Farmharvest LLLP		
-Fixed Capital	1,275,000	1,275,000
-Fluctuating Capital	-	-
	<u>1,275,000</u>	<u>1,275,000</u>
Investment in Equity Shares		
Unquoted		
Span Diagnostics south Africa (Pty) Ltd. (100% Holding - PY 100%) (1,000 Equity Shares (Previous Year – 1000 Shares) of Rand 1 each)	6,177	6,177
Biospan Contamination Control Solution Pvt Ltd (67% holding - PY67%) (67,000 Equity Shares (Previous Year – 67,000 Shares) of Rupees 10 each)	670,000	670,000
	<u>234,266,520</u>	<u>216,166,456</u>
Total (Subsidiaries)	234,266,520	216,166,456
Total non-current investments	-	900,000
Total non-current investments	234,266,520	215,266,456
6(a)(ii) Current investments		
	March 31, 2019	March 31, 2018
Investment in debentures and bonds		
Quoted		
11 % Bank of India Perpetual Bonds (Face value of Rs. 10,00,000)	-	25,557,000
11.85 % Bank of India Perpetual Bond (Face value of Rs. 1,000)	-	32,844,000
	<u>-</u>	<u>58,401,000</u>
Total (debentures and bonds)	-	58,401,000
Investment in Mutual Fund		
Quoted		
Edelweiss Liquid Fund- Regular Plan Growth	20,547,457	
DSP Blackrock FMP Fund	25,673,175	26,290,575
Edelweiss Government Securities Fund	-	48,738,968
92 Birla Sunlife Frontline Equity Fund	704,293	649,811
Axis Liquid Fund Regular Plan - Growth	64,144,195	-
ICICI Prudential Liquid Fund Regular Plan - Growth	6,225,686	-
BSL Frontline Equity Fund-Growth	2,784,300	2,568,914
Franklin India Prima Plus Growth Fund	2,787,497	2,606,179
Franklin India Prima Plus Fund	692,719	647,660
ICICI Prudential Value Fund	2,531,610	2,551,178
Motilal Oswal Most Focus Mucticap 35 Fund	773,772	783,486
Motilal Oswal Most Short Term Bond Fund	3,007,444	3,045,197
Birla Sun Life Short Term Fund Growth Fund	18,608,520	17,240,994
HDFC Corporate Debt Opportunity Fund-Regular-Growth	12,789,876	18,613,456
HDFC Short Term Opportunity Fund Growth	-	17,143,226
Kotak Medium Term Fund Reg Plan Growth	18,417,441	17,240,994
Kotak FMP Series 172 Growth Regular Plan	-	13,120,200
ICICI Prudential Corporate Bond Fund-ICICI Bank	13,344,410	12,685,093
ICICI Prudential Medium Term Bond Fund - Growth	15,028,473	-
Reliance Corporate Bond Fund-ICICI Bank	13,284,891	12,655,334
	<u>163,616,059</u>	<u>196,581,265</u>
Total (Mutual Fund)	163,616,059	196,581,265
Total current investments	163,616,059	254,982,265

6(b) Trade receivables

	March 31, 2019	March 31, 2018
Trade receivables		
Receivables	2,414,352	2,872,504
Less : Allowance for doubtful debts	-	-
Total receivables	2,414,352	2,872,504
Current portion	2,414,352	2,872,504
Non-current portion	-	-

6 (c) (i) Cash and cash equivalents

	March 31, 2019	March 31, 2018
Balances with banks		
- in current accounts	4,397,934	9,547,627
- in EEFC accounts		
Cash on hand	626	62,914
Total cash and cash equivalents	4,398,560	9,610,541

6 (c) (ii) Bank Balances Other than Cash and cash equivalents

	March 31, 2019	March 31, 2018
Earmarked balances with banks for:		
Unpaid Dividend	81,007	232,551
	81,007	232,551

6 (d) Other financial assets

	March 31, 2019		March 31, 2018	
	Current	Non-Current	Current	Non-Current
Receivable on account of sale of Business	-	6,267,836	-	6,267,836
Less : Provision for Doubtful Receivables	-	-6,267,836		-6,267,836
Guarantee Commission receivables	1,450,000	-	900,000	
Security deposits	300,052	-	352,300	-
Accrued Interest	-	-	1,888,785	-
Advances to Related Party	-	-	67,604	-
Advances to Employee	71,528	-	95,996	-
Total other financial assets	1,821,580	-	3,304,685	-

Note 7: Other current assets

	March 31, 2019	March 31, 2018
Prepaid expenses	82,349	71,971
Advances other than capital advances		
Other Advances	1,265,136	1,265,914
Balance with Statutory Authorities	3,368,307	4,009,481
Total other current assets	47,15,792	5,347,366

Note 8: Equity share capital and other equity**8(a) Equity Share Capital****(i) Authorised, Issued, Subscribed and paid-up equity share capital**

	March 31, 2019	March 31, 2018
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		
5,461,747 (Previous Year 5,461,747) Equity Shares of Rs.10/- each fully paid up	54,617,470	54,617,470
	54,617,470	54,617,470

(ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their holdings.

(iii) Details of shareholders holding more than 5% shares in the company

	March 31, 2019		March 31, 2018	
	Number of shares	% holding	Number of shares	% holding
Pradipkumar Keshavlal Desai	1,360,880	24.92%	1,360,880	24.92%
Lataben P Desai	846,500	15.50%	841,040	15.40%
Bharti Patel	575,333	10.53%	575,333	10.53%
Viral Pradipkumar Desai	567,527	10.39%	563,527	10.32%

(iv) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

Particulars	No. of Shares
Equity shares bought back by the company	
In FY 2014-15	-
In FY 2015-16	1,814,253
In FY 2016-17	-
In FY 2017-18	-
In FY 2018-19	-

(v) No Shares have been issued for consideration other than cash during the period of last five years.**8(b) Reserves and surplus**

	March 31, 2019	March 31, 2018
Capital Redemption Reserve	18,142,530	18,142,530
Capital Reserve	4,205,775	4,205,775
Retained earnings	363,907,446	397,124,606
Total reserves and surplus	386,255,751	419,472,911

(i) Capital Redemption Reserve

	March 31, 2019	March 31, 2018
Opening balance	18,142,530	18,142,530
Closing balance	18,142,530	18,142,530

(ii) Capital Reserve

	March 31, 2019	March 31, 2018
Opening balance	4,205,775	4,205,775
Closing balance	4,205,775	4,205,775

(iii) Retained earnings

	March 31, 2019	March 31, 2018
Opening balance	397,124,606	427,933,490
Net profit for the period	(32,421,486)	(30,788,465)
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(795,674)	(20,418)
Transfer to retained earnings of FVOCI equity investments, net of tax	-	-
Closing balance	363,907,446	397,124,606

Note 9: Financial liabilities**9(a) Non-current borrowings**

	Maturity date	Terms of repayment	Coupon/ Interest rate	March 31, 2019	March 31, 2018
Secured					
Term loans					
From banks	15/02/2022	60 Months	8.35	944,778	1,165,230
Total non-current borrowings				944,778	1,165,230
Less: Current maturities of long term debt (included in note 11(b))				272,756	250,975
Less: Interest accrued (included in note 11(b))				3,276	-
Non-current borrowings (as per balance sheet)				668,746	914,255

9(a) Current borrowings

	Maturity date	Terms of repayment	Coupon/ Interest rate	March 31, 2019	March 31, 2018
Secured					
Loans repayable on demand					
From banks	On Demand	Working Capital Loans are secured by hypothecation of investments made in securities by the Company.	The Interest rate in case of IIFL is 11% and in case of ICICI rate of interest varies from 8.50% to 9.40%.	41,193,753	97,685,641
Total Current borrowings				41,193,753	97,685,641
Less: Interest accrued (included in note 11(b))				195,126	641,100
Current borrowings (as per balance sheet)				40,998,627	97,044,541

9 (b) Other financial liabilities

	March 31, 2019	March 31, 2018
Non-current		
Total other non-current financial liabilities	-	-
Current		
Current maturities of long-term debt	272,756	250,975
Accrued Interest on Long term debt	3,276	-
Accrued Interest on Current term debt	195,126	641,100
Capital creditors	69,632	-
Security Deposits	150,000	90,000
Employee benefit payable	2,060,583	2,280,181
Total other current financial liabilities	2,751,373	3,262,256

9 (c) Trade payables

	March 31, 2019	March 31, 2018
Current		
Trade payables	916,720	155,988
Trade payables to related parties (note 28)	-	-
Total trade payables	916,720	155,988

There are no dues to Micro, small and medium enterprises as at March 31, 2019 and March 31, 2018. The identification of Micro, small and medium enterprises as defined under the provisions of "Micro, Small and Medium Enterprises Act, 2006" is based on management's knowledge of their status.

Note 10: Provisions

	March 31, 2019			March 31, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits						
Gratuity	52,254	1,586,819	1,639,073	51,511	1,811,035	1,862,546
Current Obligation of Leave Encashment	67,426	854,787	922,213	135,570	1,763,571	1,899,141
Super Annuation Fund	1,620,000	-	1,620,000	1,080,000	-	1,080,000
other	367,657	-	367,657	2,604,022	-	2,604,022
Total	2,107,337	2,441,606	4,548,943	3,871,103	3,574,606	7,445,709

Note 11 : Deferred tax assets/Liabilities

The balance comprises temporary differences attributable to:

	March 31, 2019	March 31, 2018
Defined benefit obligations gratuity and leave	712,550	1,647,639
Property, plant and equipment	(1,085,614)	(2,359,444)
Fair value of Investment	(4,343,704)	(2,934,521)
Net deferred tax assets/(Liabilities)	(4,716,768)	(3,646,326)

Significant estimates

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

Movement in deferred tax assets/ Liabilities for the year March 31, 2019

	Defined benefit obligations gratuity and leave	Property, plant and equipment	Fair value of Investment	Total
(Charged)/credited:				
- to profit or loss	935,089	(1,273,830)	1,409,183	1,070,442
At March 31, 2019	935,089	(1,273,830)	1,409,183	1,070,442

Movement in deferred tax assets/ Liabilities for the year March 31, 2018

	Defined benefit obligations gratuity and leave	Property, plant and equipment	Fair value of Investment	Total
(Charged)/credited:				
- to profit or loss	811,620	(2,540,516)	(509,127)	(2,238,023)
At March 31, 2018	811,620	(2,540,516)	(509,127)	(2,238,023)

Note 12 : Other current liabilities

	March 31, 2019	March 31, 2018
Statutory tax payables	512,400	1,819,922
Total other current liabilities	512,400	1,819,922

Note 13(a) : Revenue from Operations

	March 31, 2019	March 31, 2018
Sale of products	-	1,000,640
Other operating revenue	17,284,536	15,958,389
Total revenue from continuing operations	17,284,536	16,959,029

Note 13(b) : Other income and other gains/(losses)

	March 31, 2019	March 31, 2018
Rental income	2,902,829	2,421,746
Dividend income from equity investments designated at fair value through other comprehensive income (i)	-	503,409
Unrealised Gain through P&L A/C (Investments)	-	3,695,689
Interest income from financial assets at amortised cost	3,217,284	7,989,477
Net gain on disposal of property, plant and equipment (excluding property, plant and equipment sold as part of the discontinued operation)	-	8,209,400
Net gain on sale of investments	2,100,093	9,232,130
Financial Guarantee Fees Income	1,450,000	900,000
Exchange Rate Gain	-	23,197
Balances Written Back	2,667,985	149,154
Other items	1,241	990,020
Total other income	12,339,432	34,114,222

Note 14 : Purchases of stock-in-trade

	March 31, 2019	March 31, 2018
Add: Purchases	-	671,670
Total cost of materials consumed	-	671,670

Note 15 : Employee benefit expense

	March 31, 2019	March 31, 2018
Salaries, wages and bonus	15,553,569	29,324,166
Contribution to provident fund	1,032,873	1,502,155
Post-employment pension benefits	549,286	542,898
Total employee benefit expense	17,135,728	31,369,219

Note 16 : Finance costs

	March 31, 2019	March 31, 2018
Interest on debts and borrowings	1,725,733	7,043,235
Finance costs expensed in profit or loss	1,725,733	7,043,235

Note 17 : Depreciation and amortisation expense

	March 31, 2019	March 31, 2018
Depreciation of property, plant and equipment	11,136,251	5,448,078
Amortisation of intangible assets	98,520	107,647
Total depreciation and amortisation expense	11,234,771	5,555,725

Note 18 : Other expenses

	March 31, 2019	March 31, 2018
Clearing and Forwarding Expenses	-	655,494
Repairs and maintenance		
Buildings	439,157	351,188
Others	-	108,309
Telephone and communication charges	106,775	280,184
Water and electricity charges	123,680	112,041
Rental charges	1,865,424	2,423,416
Rates and taxes	117,043	548,410
Legal and professional fees (Refer Note 18(a))	3,594,306	7,327,824
Travel and conveyance	1,345,479	2,474,996
Insurance	12,043	164,384
Printing and stationery	154,534	111,451
Membership Fees	27,840	2,100
Selling Expenses	102,924	87,246
Allowance for doubtful debts – trade receivables	-	2,278,629
Miscellaneous expenses	377,172	374,541
Total other expenses	8,266,377	17,300,213

Note 18 (a): Details of payments to auditors

	March 31, 2019	March 31, 2018
Payment to auditors		
As auditor:		
Audit fee	260,000	260,000
Tax audit fee	85,000	75,000
Other Services	175,000	107,735
Total payments to auditors	520,000	442,735

Note 19 : Income tax expense

	March 31, 2019	March 31, 2018
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	774,205
Total current tax expense	-	774,205
Deferred tax		
Decrease (increase) in deferred tax assets	-	-
(Decrease) increase in deferred tax liabilities	1,072,662	2,248,989
Total deferred tax expense/(benefit)	1,072,662	2,248,989
Income tax expense	1,072,662	3,023,194
Other Comprehensive Income		
(Decrease) increase in deferred tax liabilities	2,220	10,966

Note 20 : Commitments and Contingent Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Commitments	-	-
Contingent Liability		
Corporate Guarantee given on behalf of Subsidiary Company	145,000,000	142,000,000
Total	145,000,000	142,000,000

Note 21: Capital management**(a) Risk management**

For the purpose of the Company's capital management, capital includes issued equity capital, compulsorily convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings including interest accrued on borrowings, trade and other payables, less cash and short-term deposits.

The gearing ratios were as follows:

	March 31, 2019	March 31, 2018
Net debt	45,847,866	103,106,962
Total equity	440,873,221	474,090,381
Net debt to equity ratio	10.40%	21.75%

Note 22 : Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

	March 31, 2019	March 31, 2018
(a) Basic earnings per share	INR	INR
i. Profit (loss) attributable to equity shareholders(basic)	(32,421,486)	(30,788,465)
ii. Weighted average number of equity shares (basic)	5,461,747	5,461,747
Total basic earnings per share attributable to the equity holders of the company	(5.94)	(5.64)
(b) Diluted earnings per share		
i. Profit (loss) attributable to equity shareholders(basic)	(32,421,486)	(30,788,465)
ii. Weighted average number of equity shares (basic)	5,461,747	5,461,747
Total diluted earnings per share attributable to the equity holders of the company	(5.94)	(5.64)

Note 23 : Post Employment benefits

For details about the related employee benefit expenses, see Note 15.

A. Reconciliation of the defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

Reconciliation of present value of defined benefit obligation

	March 31, 2019	March 31, 2018
Balance at the beginning of the year	1,862,546	1,131,046
Current service cost	430,446	330,021
Interest cost	143,975	83,019
Past Service Cost	-	410,488
Actuarial (gains) losses recognised		
- experience adjustments	(800,501)	(49,513)
- Financial Assumption adjustment	2,607	(42,515)
Balance at the end of the year	1,639,073	1,862,546

B. Expense recognised in profit or loss

	March 31, 2019	March 31, 2018
Current service cost	430,446	330,021
Interest on defined benefit Liability	143,975	83,019
Past service Cost	-	410,488
	574,421	823,528

Remeasurements recognised in other comprehensive income

	March 31, 2019	March 31, 2018
Actuarial (gain)/loss on Obligation for the period	(797,894)	(920,028)
Actuarial (gain)/loss due to DBO assumption change		
	(797,894)	(920,028)

C. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages)

	31 March 2019	31 March 2018
Discount rate	7.69%	7.73%
Future salary growth	8.00%	8.00%
Attrition rate	1.99%	1.99%
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(63,176)	67,488	(101,589)	112,665
Future salary growth (1% movement)	14,072	(12,396)	50,661	(43,714)
Attrition rate (1% movement)	8,090	(8,188)	216	(48)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Note 24. Financial Risk Management Framework**Risk management framework**

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Company's exposure to customers is towards related parties and not subject to significant credit risk based on past history.

Current Investment:

The Company holds current investment in mutual funds of at March 31, 2019 and March 31, 2018. The credit risk on mutual funds is limited.

Cash and cash equivalents

The Company holds cash and cash equivalents. The credit risk on liquid funds is limited.

Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Year ended March 31, 2019

	On Demand	in next 12 months	>1 year <5	> 5 year	Total
Borrowings	41,667,373	40,998,627	668,746	-	41,667,373
Trade payables	916,720	916,720	-	-	916,720
Other financial liabilities	2,751,373	2,751,373	-	-	2,751,373
Total	45,335,466	44,666,720	668,746	-	45,335,466

Year ended March 31, 2018

	On Demand	in next 12 months	>1 year <5	> 5 year	Total
Borrowings	97,958,797	97,044,541	914,255	-	97,958,797
Trade payables	155,988	155,988	-	-	155,988
Other financial liabilities	3,262,256	3,262,256	-	-	3,262,256
Total	101,377,040	100,462,785	914,255	-	101,377,040

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

Sensitivity analysis

	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Forex rate fluctuation (1% movement)	-	-	-	-

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company keeps majority of its borrowings with floating interest rates and company looks out for opportunity for optimization of interest cost, based on prevailing market scenarios and performance of the company.

Note 25 : Operating leases

- The Company does not have financial lease arrangement.
- The Company has taken office premises under short term lease arrangements and are renewable in mutually agreeable terms.

	March 31, 2019	March 31, 2018
Total rental expense relating to operating leases	1,865,424	2,423,416

Note 26 : Related Party Disclosures**Transactions with Related Parties as specified under Ind- AS 24****A. List of related parties and nature of relationship**

S. No.	Name of the related party	Nature of relationship
1	Span Diagnostics SA (Pty.) Ltd.	Wholly owned Subsidiary
2	Dryfruit Factory LLP	Subsidiary
3	Aranya Agri Biotech LLP	Subsidiary
4	Desai Farmharvest LLP	Subsidiary
5	Span Diagnostics LLP	Subsidiary
6	Biospan Scientific LLP	Subsidiary
7	Biospan Contamination Control Solutions Pvt Ltd	Subsidiary

B. Key management personnel

S. No.	Name of Personnel	Nature of relationship
1	Mr. Viral Desai	Managing Director
2	Mr. Minesh Patel (up to August 09, 2018)	Chief Financial Officer
3	Mr. Paras Desai (w.e.f August 09, 2018)	Chief Financial Officer
4	Ms. Samiksha Kansara (w.e.f September 01, 2017)	Company Secretary

C. Enterprises over which Key Management Personnel exercises significant influence

S. No.	Name of Personnel	Enterprises	Relationship
1	Mr. Viral Desai	Span Bioproducts Private Limited	Director
		Athreyas Wellness Private Limited	Director
		Micronclean India Private Limited	Director

D. Relatives of key management personnel and their enterprise, where transactions have taken place.

S. No.	Name of the related party
1	Dr. Pradip K. Desai
2	Ms. Sujata V. Desai
3	Ms. Lata P. Desai

D. Transactions with related parties during the year ended

S. No.	Name of the related party	Nature of transactions	March 31, 2019	March 31, 2018
1	Dryfruit Factory LLP	<u>Payment:</u>		
		Investment Made	33,596,167	-
		<u>Receipt:</u>		
		Investment	33,596,167	5,297,161
		Management Fees	3,826,622	2,207,627
		Interest capital	8,037,978	8,625,317
		Guarantee Commission	1,420,000	900,000
	Rent	1,638,000	1,620,000	
2	Aranya Agri Biotech LLP	<u>Payment:</u>		
		Investment Made	3,400,000	19,135,894
		<u>Receipt:</u>		
		Management Fees	604,526	83,548
		Guarantee Commission	30,000	-
	Interest capital	3,645,050	3,335,471	
3	Desai Farmharvest LLP	Investment Made	-	1,275,000
4	Span Diagnostics LLP	<u>Payment:</u>		
		Investment Made	-	50,000
		<u>Receipt:</u>		
	Interest capital	3,001	2,901	
5	Biospan Scientific LLP	<u>Payment:</u>		
		Investment Made	-	16,754,189
		<u>Receipt:</u>		
		Management Fees	77,566	203,396
		Interest capital	1,089,792	1,011,527
	Rent	283,500	360,000	
6	Biospan Contamination Control Solutions Pvt Ltd	<u>Payment:</u>		
		Investment Made	-	670,000
		<u>Receipt:</u>		
	Rent	810,000	337,500	
7	Mr. Viral Desai	Director Remuneration	6,280,160	8,595,000
		Rent	600,688	624,502
8	Mr. Samkit Mehta (up to August 15, 2017)	Salary	-	668,966
9	Mr. Minesh Patel (up to August 09, 2018)	Salary	101,864	60,932
		Loan repayment	5,000	5,000

10	Mr. Pankaj Ajmera (up to August 31, 2017)	Salary	-	49,220
11	Ms. Samiksha Kansara (w.e.f September 01, 2017)	Salary	192,000	112,000
12	Ms. Sujata Desai	Salary	2,702,735	605,300
		Rent	600,688	549,985
13	Mr. Paras Desai (w.e.f August 09, 2018)	Salary	4,606,633	-

E. Balances outstanding

S. No.	Name of the related party	Nature of balances	March 31, 2019	March 31, 2018
1	Dryfruit Factory LLP	<u>Receivable:</u>		
		Capital	149,371,809	115,360,351
		Interest Capital	16,085,573	12,994,823
		Rent	-	561,600
2	Aranya Agri Biotech LLP	<u>Receivable:</u>		
		Capital	61,245,308	58,094,473
		Interest Capital	5,455,780	4,987,251
3	Span Diagnostics LLP	<u>Receivable:</u>		
		Capital	149,000	149,000
		Interest Capital	5,902	2,901
4	Biospan Scientific LLP	<u>Receivable:</u>		
		Capital	16894384	21,005,000
		Interest Capital	1,414,976	1,154,270
		Rent	-	101,610
5	Desai Farmharvest LLLP	<u>Receivable:</u>		
		Capital	1,275,000	1,275,000
6	Span Diagnostics south Africa (Pty) Ltd.	<u>Receivable:</u>		
		Capital	6,177	6,177
7	Biospan Contamination Control Solutions Pvt Ltd	<u>Receivable:</u>		
		Capital	670,000	670,000
8	Mr. Viral Desai	<u>Payable</u>		
		Director Remuneration	281,753	387,261
		Rent Deposit	151,000	151,000
		Rent	-	24,480
9	Mr. Minesh Patel (up to August 09, 2018)	<u>Payable</u>		
		Loan	-	75,000
		Salary	-	42,303
10	Mr. Pankaj Ajmera (up to August 31, 2017)	<u>Payable</u>		
		Salary	-	-
11	Ms. Samiksha Kansara (w.e.f September 01, 2017)	<u>Payable</u>		
		Salary	15,800	15,800
12	Ms. Sujata Desai	<u>Payable</u>		
		Salary	205,665	26,401
		Rent Deposit	100,000	100,000
13	Mr. Paras Desai (w.e.f August 09, 2018)	<u>Payable</u>		
		Salary	290,604	-

Note 27 : Fair value measurement of financial instruments

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

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

a) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through profit or loss		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:							
Non-Current							
i. Investments	234,266,520	-	-	-	-	234,266,520	-
Current							
i. Investments	-	-	163,616,059	-	-	-	163,616,059
ii. Trade receivables	2,414,352	-	-	-	-	2,414,352	-
iii. Cash and cash equivalents	4,398,560	-	-	-	-	4,398,560	-
iv. Bank balances other than (iii) above	81,007	-	-	-	-	81,007	-
v. Others	1,821,580	-	-	-	-	1,821,580	-
Total	244,722,592	-	163,616,059	-	-	244,722,592	163,616,059
Liabilities:							
Non-Current							
i. Borrowings	668,746	-	-	-	-	668,746	-
Current liabilities							
i. Borrowings	40,998,627	-	-	-	-	40,998,627	-
ii. Trade payables	916,720	-	-	-	-	916,720	-
iii. Other financial liabilities	2,751,373	-	-	-	-	2,751,373	-
Total	45,335,466	-	-	-	-	45,335,466	-

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through profit or loss		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:							
Non-Current							
i. Investments	215,266,456	-	-	-	-	215,266,456	-
Current							
i. Investments	-	-	254,982,265	-	-	-	254,982,265
ii. Trade receivables	2,872,504	-	-	-	-	2,872,504	-
iii. Cash and cash equivalents	9,610,541	-	-	-	-	9,610,541	-
iv. Bank balances other than (iii) above	232,551	-	-	-	-	232,551	-
v. Others	3,304,685	-	-	-	-	3,304,685	-
Total	231,286,737	-	254,982,265	-	-	231,286,737	254,982,265
Liabilities:							
Non-Current							
i. Borrowings	914,255	-	-	-	-	914,255	-
Current liabilities							
i. Borrowings	97,044,541	-	-	-	-	97,044,541	-
ii. Trade payables	155,988	-	-	-	-	155,988	-
iii. Other financial liabilities	3,262,256	-	-	-	-	3,262,256	-
Total	101,377,040	-	-	-	-	101,377,040	-

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2019

Fair value measurement using					
	Date of valuation	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
		(Level 1)	(Level 2)	(Level 3)	
Current					
(i) Investments	March 31, 2019	163,616,059	-	-	163,616,059
Total		163,616,059	-	-	163,616,059

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2018

Fair value measurement using					
	Date of valuation	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
		(Level 1)	(Level 2)	(Level 3)	
Current					
(i) Investments	March 31, 2018	254,982,265	-	-	254,982,265
Total		254,982,265	-	-	254,982,265

Note 28 : Expenditure in foreign currency

Particulars	March 31, 2019	March 31, 2018
Expenditure in foreign currency	35,312	858,268

Note 29 : Exceptional items

In case of subsidiary Biospan Scientific LLP as at March 31, 2019, the LLP had accumulated losses of Rs.147 Lacs during the preceding 3 years and Rs. 10 Lacs in the current year and as of that date, there is substantial erosion in the net worth of the LLP. Hence the management has decided to impair the investment and Rs. 183 Lacs provided in the books of the company and treated as an exceptional item during the year.

For the year ended 31 March 2018, Exceptional item pertains to final settlement from Business Transfer of IVD Business vide Business Purchase Agreement for slump sale transaction happened on March 05, 2015. The amount of Rs. 400 lakhs which was kept in Escrow Account has been received from Arkray Healthcare Pvt. Ltd. after deduction of Rs. 63.95 Lakhs on account of un-recovered assets comprising of SAD refund, deposits, account receivables etc. Since the original transaction for the slump sale was considered as an exceptional item in March 2015 financial statements, the said provision for deduction amount of Rs. 63.95 Lakhs has also been considered as an exceptional item.

Note 30 : The figures for the previous year have been regrouped/recast wherever necessary in conformity With those of current year.

As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No: 103523W / W100048

For and on behalf of the Board of Directors
Span Divergent Limited

Viral P. Desai
Managing Director
DIN : 00029219

Dr. Pradip K. Desai
Director
DIN : 00026451

Hemant J. Bhatt
Partner
Membership No: 036834

Paras Desai
CFO

Samiksha Kansara
Company Secretary

Place : Surat
Date : May 17, 2019

Place : Surat
Date : May 17, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Span Divergent Limited
(Formerly known as Span Diagnostics Limited)

Report on the Audit of the Consolidated Ind AS Financial Statements**Opinion**

We have audited the accompanying consolidated Ind AS financial statements of Span Divergent Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the consolidated state of affairs of the Group, as at March 31, 2019, their consolidated loss (including other comprehensive income), consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How was the matter addressed in our audit
<p>Valuation of Biological Assets (Refer Note 6 to the consolidated financial statements)</p> <p>The Group held Biological Assets, which includes tissue culture plants, of Rs. 188.36 lakhs at March 31, 2019 through a subsidiary LLP.</p> <p>The value of Biological Assets is measured at fair value less costs to sell. The fair value is determined using discounted cash flows based on forecast by management. These discounted cash flows require estimates of growth/multiplications, mortality of tissue culture plants, sales price and costs.</p> <p>Due to the level of judgment involved in the valuation of Biological Assets, complexity of the governance structure as well as the significance of Biological Assets to the Group's financial position, this is considered to be a key audit matter.</p>	<p>As part of our audit procedures, we have gained understanding over the management review and monitoring controls for interpretation of group policy and Ind AS 41 Agriculture.</p> <ul style="list-style-type: none"> • We have assessed the key assumptions contained within the fair value calculations including sales price assumptions, growth/multiplications, mortality assumptions and discount rates. • Evaluated the Group's input used in calculating the estimated cash flows of tissue culture plant, through observation to internal supporting documentation and their reasonableness against external data; • We have assessed and performed procedures around management's accounting of the impact of Biological Assets valuation; • Tested the mathematical accuracy of the calculations; • Assessed the historical accuracy of forecasting and estimation by comparing prior year estimate to actual performance. <p>We have assessed the appropriateness of presentation in the consolidated financial statements.</p>

Emphasis of Matter

We draw attention to the note No.38 to the consolidated Ind AS financial statements regarding preparation of financial statements of one of the subsidiary, Biospan Scientific LLP (the "LLP"), as a going concern. The aforesaid LLP has incurred a net loss of Rs. 9.82 lakhs during the year ended March 31, 2019 and has accumulated losses as of that date, which has led to substantial erosion in the net worth.

These conditions, indicate that a material uncertainty exists that may cast significant doubt on the LLP's ability to continue as a going concern. Despite having accumulated losses, the Ind AS financial statements of the LLP is prepared on going concern basis as the Management is exploring the possibilities to revive the LLP on its own or by entering into business tie-ups and it is hopeful to be able to establish profitable operation.

Our opinion is not modified in respect of this matter.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary company, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements.

We communicate with those charged with governance of the Group regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the Ind AS financial statements of One (1) subsidiary, whose Ind AS financial statements reflects total assets of Rs. 8.94 lakhs and net assets of Rs. (16.61) lakhs as at March 31, 2019, total revenues of Rs. Nil and net cash inflows/outflow amounting to Rs. Nil for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited Ind AS financial statements. In our opinion and according to the information and explanations given to us by the management, these Ind AS financial statements are not material to the Group.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the Ind AS financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;
- On the basis of the written representations received from the directors of the Holding Company and its subsidiary company which is incorporated in India, as on March 31, 2019 and taken on record by the Board of Directors of the respective companies, none of the directors of the Group companies incorporated in India, is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;
- Since, one subsidiary company considered for consolidation is a foreign incorporated entity not falling within the definition of 'Foreign Company' as per section 2(42) of the Act, and five entities are LLPs incorporated in India; they are exempted to be reported on the adequacy of the internal financial controls with reference to financial statements of the Group.

With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company and its subsidiary company which is incorporated in India, refer to our separate Report in "Annexure 1" to this report.

- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act;

In our opinion and to the best of our information and according to the explanations given to us by the Holding Company and its subsidiary company, which is incorporated in India, the managerial remuneration paid / provided to their directors is in accordance with the provisions of section 197 of the Act;

- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 24 to the consolidated Ind AS financial statements;

(ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

For Haribhakti & Co.LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Hemant J. Bhatt
Partner
Membership No.036834

Place: Surat
Date: May 17, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Span Divergent Limited on the consolidated Ind AS financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Span Divergent Limited ("Company" or "Holding Company") as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of Holding Company and its subsidiary company, which is incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which is incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co.LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Hemant J. Bhatt
Partner
Membership No.036834

Place: Surat
Date: May 17, 2019

SPAN DIVERGENT LIMITED
(Formerly known as Span Diagnostics Limited)

Consolidated Balance sheet as at March 31, 2019

	Notes	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	212,183,506	241,594,886
Capital work-in-progress	3	426,082	-
Investment properties	4	9,557,156	13,650,815
Goodwill	5	2,202,518	3,197,468
Other intangible assets	5	743,193	691,466
Intangible assets under development	5	130,244	-
Biological assets other than bearer plants	6	18,835,967	11,476,614
Deferred tax assets (Net)	8(a)	16,783	-
Other non-current assets	9	13,009	536,224
Total non-current assets		244,108,458	271,147,473
Current assets			
Inventories	10	26,004,207	35,494,740
Financial assets			
i. Investments	7(a)	163,616,059	254,982,265
ii. Trade receivables	7(b)	14,555,301	23,779,656
iii. Cash and cash equivalents	7(c) (i)	18,902,195	17,529,660
iv. Bank balances other than (iii) above	7(c) (ii)	81,007	232,551
v. Others	7(d)	8,404,903	7,066,112
Current tax Assets (Net)		2,929,446	3,999,788
Other current assets	11	14,099,201	18,490,815
Total current assets		248,592,319	361,575,587
Total assets		492,700,777	632,723,060
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	54,617,470	54,617,470
Other equity	12(b)	164,169,214	306,120,604
Non Controlling Interest		559,000	653,413
		219,345,684	361,391,487
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	13(a)	73,154,817	85,300,657
Provisions	14	3,494,425	4,082,963
Deferred tax liabilities (Net)	8(b)	7,695,893	2,080,146
Total non-current liabilities		84,345,135	91,463,766
Current liabilities			
Financial liabilities			
i. Borrowings	13(a)	136,249,276	136,455,376
ii. Trade payables	13(c)	6,306,850	13,963,511
iii. Other financial liabilities	13(b)	20,598,927	19,347,061
Other current liabilities	15	1,388,262	3,251,714
Provisions	14	24,466,642	6,850,145
Total current liabilities		189,009,957	179,867,807
Total liabilities		273,355,092	271,331,573
Total equity and liabilities		492,700,777	632,723,060
Corporate information & Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements.
In terms of our report attached

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No: 103523W / W100048

For and on behalf of the Board of Directors
Span Divergent Limited

Viral P. Desai
Managing Director
DIN : 00029219

Dr. Pradip K. Desai
Director
DIN : 00026451

Hemant J. Bhatt
Partner
Membership No: 036834

Paras Desai
CFO

Samiksha Kansara
Company Secretary

Place : Surat
Date : May 17, 2019

Place : Surat
Date : May 17, 2019

SPAN DIVERGENT LIMITED
(Formerly known as Span Diagnostics Limited)

Consolidated Statement of profit and loss for the year ended March 31, 2019

	Notes	March 31, 2019	March 31, 2018
Continuing operations			
Revenue from operations	16	241,398,345	145,722,681
Other income	17	11,444,971	32,095,026
Basic earnings per share		252,843,316	177,817,707
Expenses			
Cost of materials consumed	18(a)	178,939,374	140,157,536
Purchases of stock-in-trade	18(b)	7,448,237	6,680,429
Changes in inventories of work-in-progress, stock-in-trade and finished goods	18(c)	(4,511,793)	(18,878,500)
Employee benefit expense	19	52,936,158	50,338,090
Finance costs	20	18,881,903	17,018,854
Depreciation and amortisation expense	21	36,221,700	25,986,171
Donation		4,300,000	10,503,000
Other expenses	22	75,065,088	62,822,259
Total expenses		369,280,667	294,627,839
Profit before exceptional items and tax		(116,437,351)	(116,810,132)
Exceptional items	33	(18,310,183)	(6,395,461)
Profit/(Loss) before tax		(134,747,534)	(123,205,593)
Tax expense	23		
- Current tax		-	774,205
- Deferred tax		5,816,181	986,428
Profit/(Loss) for the period from continuing operations		(140,563,715)	(124,966,226)
Other comprehensive income			
Remeasurement costs of Post employment benefits		(1,608,704)	(31,384)
Deferred tax on post employment		221,029	10,966
Other comprehensive income for the year, net of tax		(1,387,675)	(20,418)
Total comprehensive income for the year		(141,951,390)	(124,986,644)
Earnings per equity share for profit from operation attributable to owners of the entity:			
Basic earnings per share	26	(25.74)	(22.88)
Diluted earnings per share	26	(25.74)	(22.88)
Corporate information & Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements.
In terms of our report attached

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No: 103523W / W100048

For and on behalf of the Board of Directors
Span Divergent Limited

Viral P. Desai
Managing Director
DIN : 00029219

Dr. Pradip K. Desai
Director
DIN : 00026451

Hemant J. Bhatt
Partner
Membership No: 036834

Paras Desai
CFO

Samiksha Kansara
Company Secretary

Place : Surat
Date : May 17, 2019

Place : Surat
Date : May 17, 2019

SPAN DIVERGENT LIMITED
(Formerly known as Span Diagnostics Limited)
Consolidated Statement of cash flows for the year ended March 31, 2019

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before income tax	(134,747,534)	(123,205,5930)
Adjustments for		
Depreciation and amortisation expense	36,221,700	25,986,171
Gain on disposal of property, plant and equipment	-	(8,209,400)
Dividend and interest income classified as investing cash flows	-	(503,409)
Rental Income	(202,828)	(164,246)
Interest Income	(3,529,888)	(8,387,051)
Gain on Sale of Investments	(2,100,094)	(9,232,130)
Unrealised Gain Loss on Investment	-	3,695,689
Unrealised Gain Loss on Biological Assets	(4,330,643)	-
Finance Cost	18,881,903	17,018,854
Balances Written Back	-	(343,675)
Loss on Sale of Fixed Assets	717,854	-
Impairment of Investments	18,310,183	-
Forex Gain Loss	103,510	(23,197)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	9,224,355	(23,728,936)
(Increase)/Decrease in Inventory	9,490,533	(21,931,789)
(Increase)/Decrease in Biological Assets	(11,870,223)	(1,950,583)
Increase in trade payables	(7,656,661)	10,480,122
(Increase) in other financial assets	(1,338,792)	34,386,047
(Increase)/decrease in other non-current assets	523,215	37,601,451
(Increase)/decrease in other current assets	4,391,614	(11,545,260)
Increase/(decrease) in provisions	(1,282,224)	11,984,798
Increase/(decrease) in other financial liabilities	1,251,866	3,423,528
Increase in other current liabilities	(1,863,452)	1,144,224
Cash generated from operations	(69,805,604)	(63,504,385)
Income taxes paid	(1,070,341)	(53,900,490)
Net cash inflow from operating activities	(70,875,946)	(117,404,875)
Cash flows from investing activities		
Purchase of investments	91,366,207	23,675,369
Proceeds from sale of investments	2,100,094	9,232,130
Purchase of property, plant and equipment	2,329,764	(42,113,829)
Proceeds from sale of property, plant and equipment	(717,854)	8,209,400
Dividends received	-	503,409
Rental Income	202,828	164,246
Interest received	5,207,381	8,387,051
Net cash outflow from investing activities	100,488,420	8,057,775
Cash flows from financing activities		
Proceeds/Repayment from borrowings	(12,351,940)	90,558,601
Payment towards unclaimed dividend	(151,544)	131,214
Interest paid	(15,736,456)	(17,018,854)
Net cash inflow (outflow) from financing activities	(28,239,940)	73,670,961
Net increase (decrease) in cash and cash equivalents	1,372,535	(35,676,138)
Cash and cash equivalents at the beginning of the financial year	17,529,660	53,205,798
Cash and cash equivalents at end of the year	18,902,195	17,529,660
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
	Year ended March 31, 2019	Year ended March 31, 2018
Balances with banks		
- in current accounts	18,818,602	17,404,691
Cash on hand	83,593	124,969
Balances per statement of cash flows	18,902,195	17,529,660
Corporate information & Summary of significant accounting policies	1 & 2	

The accompanying notes are an integral part of the financial statements.
In terms of our report attached

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No: 103523W / W100048

For and on behalf of the Board of Directors
Span Divergent Limited

Viral P. Desai
Managing Director
DIN : 00029219

Dr. Pradip K. Desai
Director
DIN : 00026451

Hemant J. Bhatt
Partner
Membership No: 036834

Paras Desai
CFO

Samiksha Kansara
Company Secretary

Place : Surat
Date : May 17, 2019

Place : Surat
Date : May 17, 2019

SPAN DIVERGENT LIMITED
(Formerly known as Span Diagnostics Limited)

Consolidated Statement of changes in equity for the year ended March 31, 2019

a. Equity share capital

	Notes	Amount
Issue of Share Capital	10	-
As at March 31, 2018	10	54,617,470
Issue of Share Capital	10	-
As at March 31, 2019	10	54,617,470

b. Other Equity

	Reserves and Surplus		
	Capital Redemption Reserve	Capital Reserve	Retained Earnings
Opening Balance as on March 31, 2017	18,142,530	4,205,775	408,758,943
Add: Loss for the year	-	-	(124,966,226)
Total Comprehensive Income for the year	-	-	(20,418)
Balance as on March 31, 2018	18,142,530	4,205,775	283,772,299
Add: Loss for the year	-	-	(140,563,715)
Total Comprehensive Income for the year	-	-	(1,387,675)
Balance as on March 31, 2019	18,142,530	4,205,775	141,820,909

The accompanying notes are an integral part of the financial statements.
In terms of our report attached

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No: 103523W / W100048

For and on behalf of the Board of Directors
Span Divergent Limited

Viral P. Desai
Managing Director
DIN : 00029219

Dr. Pradip K. Desai
Director
DIN : 00026451

Hemant J. Bhatt
Partner
Membership No: 036834

Paras Desai
CFO

Samiksha Kansara
Company Secretary

Place : Surat
Date : May 17, 2019

Place : Surat
Date : May 17, 2019

SPAN DIVERGENT LIMITED

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

(All amounts are in Indian Rupees except for share data or otherwise stated)

1. Corporate information

Span Divergent Limited is Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. Its shares are listed on Bombay Stock Exchange. The Company has sold its In-Vitro Diagnostics business on March 05, 2015 and has evaluated various business options for developing of new business lines.

2. Statement of significant accounting policies**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The subsidiary Entity considered in the consolidated financial statements are;

Name of Subsidiary	Country of Incorporation	Portion of Ownership Interest
Span Diagnostics SA (Pty) Limited	South Africa	100%
Biospan Contamination Control Solutions Pvt Ltd.	India	67%
Aranya Agribiotech LLP	India	99%
Dryfruit Factory LLP	India	99%
Biospan Scientific LLP	India	99%
Span Diagnostics LLP	India	99%
Desai Farmharvest LLP	India	85%

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.

Non controlling Interest's share in net asset of subsidiary company for the year is identified and presented in consolidated balance sheet separate from liabilities and equity of company's shareholders.

2.2 Summary of significant accounting policies**(a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(b) Functional and presentation currency

The financial statements are presented in INR which is also the Company's functional currency.

(c) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

(d) Revenue recognition

- a. The Company recognises revenue on the sale of products when risks and rewards of the ownership are transferred to the customer. Sales are accounted net of amount recovered towards, sales tax and sales returns.
- b. Sales returns are accounted on actual receipt of return goods / settlement of claims.
- c. Interest income is recognised on pro-rate basis.
- d. Income from mutual funds is recognised when the Company's right to receive the payment is established, and unit holders' right to receive payment is established.

(e) Taxes**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(f) Property, plant and equipment

Under the previous GAAP (Indian GAAP), Property, Plant and Equipment were carried in the balance sheet at cost of acquisition. The Company has elected to regard those values of assets as deemed cost at the date of the acquisition since they were broadly comparable to fair value. The Company has also determined that cost of acquisition or construction does not differ materially from fair valuation as at April 01, 2016 (date of transition to Ind AS).

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation is calculated on a written down value method over the estimated useful lives as per Schedule 2 of The Companies Act, 2013

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end and adjusted prospectively, if appropriate.

(g) Intangible Assets

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.

(h) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

(j) Provisions**General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

(k) Employee Benefits**a. Retirement Benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

b. Compensated Expenses

The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the period-end/ year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

c. Other Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(I) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Equity investments:

In respect of equity investments, when an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries and associates either:

- (a) at cost; or
- (b) in accordance with Ind AS 109.

If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

- (a) cost determined in accordance with Ind AS 27; or
- (b) deemed cost. The deemed cost of such an investment shall be its:
 - (i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or
 - (ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary or associate that it elects to measure using a deemed cost.

Since the company is a first time adopter it has measured its investment in subsidiary and associate at deemed cost in accordance with Ind AS 27 by taking previous GAAP carrying amount.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a) the rights to receive cash flows from the asset have expired, or
- b) the Company has transferred its rights to receive cash flows from the asset, and
 - i. the Company has transferred substantially all the risks and rewards of the asset, or
 - ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18
- c) Loan commitments which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- ▶ All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- ▶ Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- ▶ Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- ▶ Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 14.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

(m) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(n) Segment Reporting

The Board of Directors assess the financial performance of the Company and make strategic decisions and has been identified as being the Chief Operating Decision Maker (CODM). Based on the internal reporting provided to the CODM, the Company has only one reportable segment i.e. the the Activities of Head Offices, Management Services Activities and hence no separate disclosures are required under Ind AS 108. and hence no separate disclosures are required under Ind AS 108.

(o) 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.

(p) Earnings per Share

The Basic earning per Share ("EPS") is computed by dividing the net profit/(loss) after tax for the year attributable to equity share holder by the weighted average number of equity shares outstanding during the year. 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.

(q) Biological Assets

Tissue Culture Plants

The Group sells tissue culture plants of banana, pomegranate and others to its customers. Tissue culture is a process where, propagation of plant by using a plant part, single cell or group cell is done in a under very controlled hygienic conditions. Tissue culture primary involves initiation of aseptic cultures of part taken from mother plant, multiplication of the plant to the desired scale, induction of roots to primary & secondary hardening. The aseptic culture which are planted in a test tube in a control environment which will be sold subsequently after primary & secondary hardening are accounted for Ind As 41, Agriculture at fair value less cost to sell. Here fair value has been derived based on the project cash flow during the process cycle applying discounting factor as process cycle is more than 12 months. Plants after completion of primary and secondary hardening are transferred to inventory at fair value less cost to sell after applying the discounting factor. Cost to sell include the incremental selling cost, commission, transportation cost, fees excluding finance costs and income taxes. Changes in the fair value of biological assets are recognized in Statement of Profit and Loss. Direct cost such as laboratory cost, Research and development cost & etc. are expensed as incurred.

(r) Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower or cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory arrived on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(s) Cash Flows

Cash flows are reported using indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accrual of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

Note 3 : Property, plant and equipment and Capital work-in-progress

Particulars	As at	
	March 31, 2019	March 31, 2018
Carrying amount of:		
Freehold land*	33,528,724	33,528,724
Computers	293,237	643,856
Office equipment	1,395,445	2,462,043
Buildings & Roads	103,236,497	112,310,693
Vehicles	2,884,665	4,194,066
Electrical Installment	7,302,391	9,682,745
Leasehold Improvements	1,221,079	5,954,746
Furniture and fixtures	3,884,929	5,144,812
Plant and Machinery	47,877,351	54,507,011
Shed Building	677,919	474,030
R&D Equipment	339,118	617,384
Green House Site	2,288,927	2,288,927
Compound Wall	7,253,226	9,785,850
Capital work in progress	426,082	-
Total Tangible assets	212,609,588	241,594,886

Note : 3.1 Property, plant and equipment

Description of Assets	Freehold land	Computers	Office equipment	Buildings & Roads	Vehicles	Electrical Installment	Leasehold Improvements	Furniture & fixtures	Plant and Machinery	Shed Building	&D Equipment	Green House Site	Compound Wall	Total
At Cost														
Opening Balance	33,528,724	876,009	2,004,656	17,570,368	4,897,848	732,984	2,687,240	1,979,745	3,932,692	-	1,737,674	4,307,292	-	74,255,232
Additions	-	767,877	2,668,446	109,461,797	2,621,100	10,605,198	5,234,359	4,736,080	60,159,714	496,121	-	-	10,213,107	206,963,798
Deletions	-	-	-	6,282,566	190,335	-	-	-	-	-	-	-	-	6,472,901
March 31, 2018	33,528,724	1,643,886	4,673,102	120,749,599	7,328,613	11,338,182	7,921,599	6,715,825	64,092,406	496,121	1,737,674	4,307,292	10,213,107	274,746,129
Additions	-	189,563	52,904	662,282	-	136,782	97,281	87,495	4,397,202	203,889	-	-	-	5,827,398
Deletions	-	271,929	-	-	-	-	4,625,222	-	-	-	-	-	-	4,897,151
March 31, 2019	33,528,724	1,561,520	4,726,006	121,411,881	7,328,613	11,474,964	3,393,658	6,803,320	68,489,608	700,010	1,737,674	4,307,292	10,213,107	275,676,376
Depreciation														
Opening Balance	-	340,941	1,052,000	4,132,343	1,750,118	250,223	806,752	685,464	795,179	-	613,688	978,700	-	11,405,409
Charge for the year	-	659,089	1,159,059	7,298,529	1,488,441	1,405,213	1,160,101	885,549	8,790,216	22,091	506,602	1,039,665	427,257	24,841,812
Deletions	-	-	-	2,991,966	104,011	-	-	-	-	-	-	-	-	3,095,978
March 31, 2018	-	1,000,030	2,211,059	8,438,906	3,134,547	1,655,436	1,966,853	1,571,013	9,585,395	22,091	1,120,290	2,018,365	427,257	33,151,243
Charge for the year	-	472,955	1,119,502	9,736,478	1,309,401	2,517,137	644,177	1,347,378	11,026,862	-	278,266	-	2,532,624	30,984,781
Deletions	-	204,702	-	-	-	-	438,451	-	-	-	-	-	-	643,153
March 31, 2019	-	1,268,283	3,330,561	18,175,384	4,443,948	4,172,573	2,172,579	2,918,391	20,612,257	22,091	1,398,556	2,018,365	2,959,881	63,492,871
Net Block														
March 31, 2018	33,528,724	643,856	2,462,043	112,310,693	4,194,066	9,682,745	5,954,746	5,144,812	54,507,011	474,030	617,384	2,288,927	9,785,850	241,594,886
March 31, 2019	33,528,724	293,237	1,395,445	103,236,497	2,884,665	7,302,391	1,221,079	3,884,929	47,877,351	677,919	339,118	2,288,927	7,253,226	212,183,505

* Land has been pledged as security for borrowings.

Note 4: Investment properties**(i) Amounts recognised in profit or loss for investment properties**

	March 31, 2019	March 31, 2018
Carrying amount		
Opening carrying amount / Deemed cost	13,650,815	13,650,815
Additions	-	-
Closing carrying amount	13,650,815	13,650,815
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge	4,093,659	-
Closing accumulated depreciation	4,093,659	-
Net carrying amount	9,557,156	13,650,815

(i) Amounts recognised in profit or loss for investment properties

	March 31, 2019	March 31, 2018
Rental income	202,829	164,246
Direct operating expenses from property that generated rental income	65,893	57,677
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	136,936	106,569
Depreciation	4,093,659	-
Profit from investment properties	(3,956,723)	106,569

(iii) Fair value

	March 31, 2019	March 31, 2018
Investment properties	13,650,815	13,650,815

Estimation of fair value

The Company accesses for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties.

Note 5: Intangible assets and Intangible under Development

Particulars	As at	
	March 31, 2019	March 31, 2018
Carrying amount of:		
Software	61,089	80,482
Goodwill	2,202,518	3,197,468
Intellectual Property	88,548	128,548
Trademark	593,556	482,436
Intangible Under Development	130,244	-
Total Intangible assets	3,075,955	3,888,934

Note : 5.1 Intangible Assets

Description of Assets	Software	Goodwill	Intellectual Property	Trademark	Total
At Cost					
Opening Balance	164,377	4,974,749	200,000	543,474	5,882,600
Additions	5,863	-	-	26,183	32,046
Deletions	-	-	-	-	-
March 31, 2018	170,240	4,974,749	200,000	569,657	5,914,646
Additions	20,400	-	-	179,637	200,037
Deletions	-	-	-	-	-
March 31, 2019	190,640	4,974,749	200,000	749,294	6,114,683
Depreciation					
Opening Balance	38,591	782,330	31,452	28,993	881,366
Charge for the year	51,167	994,951	40,000	58,228	1,144,346
Deletions	-	-	-	-	-
March 31, 2018	89,758	1,777,281	71,452	87,221	2,025,712
Charge for the year	39,793	994,950	40,000	68,517	1,143,260
Deletions	-	-	-	-	-
March 31, 2019	129,551	2,772,231	111,452	155,738	3,168,972
March 31, 2018	80,482	3,197,468	128,548	482,436	3,888,934
March 31, 2019	61,089	2,202,518	88,548	593,556	2,945,711

Note 6: Biological Assets**Tissue culture plantations**

Particulars	March 31, 2019	March 31, 2018
Opening Balance	11,476,614	9,526,031
New Plantations	1,099,748	21,621
Change in fair value due to according transformation in Biological assets	6,259,605	1,928,962
Closing Balance	18,835,967	11,476,614

a. Estimates and judgements:

Tissue culture plantations: Estimates and judgments in determining the fair value of tissue cultured plants relate to market prices, quality of plants, and mortality rates. The impact of discounting is considered material as the transformation cycle is more than 12 months and discounting rate based on the average cost of capital.

b. Fair value information

The fair value measurements of Tissue culture plantations have been categorised as Level 3 fair values based on the inputs to the valuation techniques used. The following table shows the gain or losses recognised in relation to level 3 fair values.

Tissue culture plantations	March 31, 2019	March 31, 2018
Total gain / (loss) recognised in the Statement of Profit and Loss	6,259,605	1,928,962
Change in unrealised gain / (loss) recognised in the Statement of Profit and Loss	-	-
	6,259,605	1,928,962

c. Valuation inputs and relationship to fair value

Particulars	March 31, 2019	March 31, 2018
Tissue culture plantations (Measured at fair value less costs to sell estimating projected cash flows, impact of discounting considered material due to transformation cycle)	18,835,967	11,476,614

Significant unobservable inputs:

The Company's plantations are exposed to risk of damage from climate change, diseases. The Company has extensive processes in place aimed at monitoring and mitigating those risks. Further, the demand is subject to external climatic conditions. Management performs regular industry trend analysis for projected harvest volumes and pricing.

Note 7: Financial assets**7(a) Current investments**

Particulars	March 31, 2019	March 31, 2018
Investment in debentures and bonds		
Quoted		
11 % Bank of India Perpetual Bonds (Face value of Rs. 10,00,000)	-	25,557,000
11.85 % Bank of India Perpetual Bond (Face value of Rs. 1,000)	-	32,844,000
Total (debentures and bonds)	-	58,401,000

Investment in Mutual Fund**Quoted**

Edelweiss Liquid Fund- Regular Plan Growth	20,547,457	-
DSP Blackrock FMP Fund	25,673,175	26,290,575
Edelweiss Government Securities Fund	-	48,738,968
92 Birla Sunlife Frontline Equity Fund	704,293	649,811
Axis Liquid Fund Regular Plan - Growth	6,414,495	-
ICICI Prudential Liquid Fund Regular Plan - Growth	6,225,686	-
BSL Frontline Equity Fund-Growth	2,784,300	2,568,914
Franklin India Prima Plus Growth Fund	2,787,497	2,606,179
Franklin India Prima Plus Fund	692,719	647,660
ICICI Prudential Value Fund	2,531,610	2,551,178
Motilal Oswal Most Focus Mucticap 35 Fund	773,772	783,486
Motilal Oswal Most Short Term Bond Fund	3,007,444	3,045,197
Birla Sun Life Short Term Fund Growth Fund	18,608,520	17,240,994
HDFC Corporate Debt Opportunity Fund-Regular-Growth	12,789,876	18,613,456
Hdfc Short Term Opportunity Fund Growth	-	17,143,226
Kotak Medium Term Fund Reg Plan Growth	18,417,441	17,240,994
Kotak FMP Series 172 Growth Regular Plan	-	13,120,200
ICICI Prudential Corporate Bond Fund-ICICI Bank	13,344,410	12,685,093
ICICI Prudential Medium Term Bond Fund - Growth	15,028,473	-
Reliance Corporate Bond Fund-ICICI Bank	13,284,891	12,655,334
Total (Mutual Fund)	163,616,059	196,581,265
Total current investments	163,616,059	254,982,265

7(b) Trade receivables

	March 31, 2019	March 31, 2018
Trade receivables	14,555,301	23,779,656
Less: Allowance for doubtful debts	-	-
Total receivables	-	-
Current portion	14,555,301	23,779,656
Non-current portion	14,555,301	23,779,656
	-	-

7 (c) (i) Cash and cash equivalents

	March 31, 2019	March 31, 2018
Balances with banks		
- in current accounts	18,818,602	17,404,691
Deposits with maturity of less than three months	-	-
Cash on hand	83,593	124,969
Total cash and cash equivalents	18,902,195	17,529,660

7 (c) (ii) Bank Balances Other than Cash and cash equivalents

	March 31, 2019	March 31, 2018
Earmarked balances with banks for:		
Unpaid Dividend	81,007	232,551
	81,007	232,551

7 (d) Other Financial Assets

	March 31, 2019		March 31, 2018	
	Current	Non- current	Current	Non- current
Security deposits	2,851,860	-	2,311,108	-
Security deposits with Banks maturity more than 12 Months	4,990,000	-	2,490,000	-
Accrued Interest	491,515	-	2,169,008	-
Advances to Employee	71,528	-	95,996	-
Total other financial assets	8,404,903	-	7,066,112	-

Note 8(a) : Deferred tax assets/Liabilities

The balance comprises temporary differences attributable to:

	March 31, 2019	March 31, 2018
Defined benefit obligations gratuity and leave	5,763	-
Property, plant and equipment	11,020	-
Net deferred tax assets/(Liabilities)	16,783	-

Note 8(b) : Deferred tax assets/Liabilities

The balance comprises temporary differences attributable to:

	March 31, 2019	March 31, 2018
Defined benefit obligations gratuity and leave	934,688	1,960,704
Property, plant and equipment	(4,286,877)	(1,106,329)
Fair value of Investment	(4,343,704)	(2,934,521)
Net deferred tax assets/(Liabilities)	(7,695,893)	(2,080,146)

Significant estimates

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- (a) the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- (b) the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

Movement in deferred tax assets/ Liabilities for the year March 31, 2019

	Defined benefit obligations gratuity and leave	Property, plant and equipment	Fair value of Investment	Total
(Charged)/credited:				
- to profit or loss	(1,016,441)	(3,169,528)	(1,409,183)	(5,595,152)
At March 31, 2019	(1,016,441)	(3,169,528)	(1,409,183)	(5,595,152)

Movement in deferred tax assets/ Liabilities for the year March 31, 2018

	Defined benefit obligations gratuity and leave	Property, plant and equipment	Fair value of Investment	Total
(Charged)/credited:				
- to profit or loss	812,881	(1,279,217)	(509,127)	(975,463)
At March 31, 2018	812,881	(1,279,217)	(509,127)	(975,463)

Note 9 : Other non-current assets

	March 31, 2019	March 31, 2018
Capital advances	13,009	536,224
Total other non-current assets	13,009	536,224

Note 10 : Inventories

	March 31, 2019	March 31, 2018
Raw materials	1,916,827	15,473,880
Work in Progress	197,690	6,480,590
Finished goods	13,847,063	3,550,466
Traded goods	8,224,171	8,825,823
Consumables, Stores and spares and Packing materials	1,818,456	1,163,981
Total inventories	26,004,207	35,494,740

Note 11 : Other current assets

	March 31, 2019	March 31, 2018
Prepaid expenses	508,013	403,442
Other Deposits	35,680	-
Advances other than capital advances	-	-
Advances to related parties	42,665	99,352
Other Advances	2,335,411	8,937,742
Balance with Statutory Authorities	11,177,432	8,994,224
Others	-	56,055
Total other non-current assets	14,099,201	18,490,815

Note 12: Equity share capital and other equity**12(a) Equity share capital**

(i) Authorised, Issued, Subscribed and paid-up equity share capital

	March 31, 2019	March 31, 2018
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		
5,461,747 (Previous Year 5,461,747) Equity Shares of Rs.10/- each fully paid up	54,617,470	54,617,470
	54,617,470	54,617,470

(ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their holdings.

(iii) Details of shareholders holding more than 5% shares in the company

	March 31, 2019		March 31, 2018	
	Number of shares	% holding	Number of shares	% holding
Pradipkumar Keshavlal Desai	1,360,880	24.92%	1,360,880	24.92%
Lataben P Desai	846,500	15.50%	841,040	15.40%
Bharti Patel	575,333	10.53%	575,333	10.53%
Viral Pradipkumar Desai	567,527	10.39%	563,527	10.32%

(iv) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

Particulars	No. of Shares
Equity shares bought back by the company	
In FY 2014-15	-
In FY 2015-16	1,814,253
In FY 2016-17	-
In FY 2017-18	-
In FY 2018-19	-

(v) No Shares have been issued for consideration other than cash during the period of last five years.**12(b) Reserves and surplus**

	March 31, 2019	March 31, 2018
Capital Redemption Reserve	18,142,530	18,142,530
Capital Reserve	4,205,775	4,205,775
Retained earnings	141,820,909	283,772,299
Total reserves and surplus	164,169,214	306,120,604

(i) Capital Redemption Reserve

	March 31, 2019	March 31, 2018
Opening balance	18,142,530	18,142,530
Closing balance	18,142,530	18,142,530

(ii) Capital Reserve

	March 31, 2019	March 31, 2018
Opening balance	4,205,775	4,205,775
Closing balance	4,205,775	4,205,775

(iii) Retained earnings

	March 31, 2019	March 31, 2018
Opening balance	283,772,299	408,758,943
Net profit for the period	(140,563,715)	(124,966,226)
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(1,387,675)	(20,418)
Transfer to retained earnings of FVOCI equity investments, net of tax	-	-
Closing balance	141,820,909	283,772,299

Note 13 : Financial liabilities**13 (a) Non-current borrowings**

	Maturity date	Terms of repayment	Coupon/ Interest rate	March 31, 2019	March 31, 2018
Secured					
Term loans					
From banks	15/02/2022	60 Months	8.35	5,130,615	5,251,682
	29/02/2024	Repayment starts after end of one year and will be paid equal monthly installment. For 2nd Year - 7.25 Lacs p.m. For 3rd Year - 9.25 lacs p.m. For 4th Year - 12.25 lacs p.m. For 5th, 6th and 7th Year - 14.75 lacs p.m. and 12.75 lacs p.m.	9.50 % to 11.15%	81,658,883	90,733,335
Total non-current borrowings				86,789,498	95,985,017
Less: Current maturities of long-term debt (included in note 13(b))				13,619,587	9,951,025
Less: Interest accrued (included in note 13(b))				15,094	733,335
Non-current borrowings (as per balance sheet)				73,154,817	85,300,657

13(a) Current borrowings

	Maturity date	Terms of repayment	Coupon/ Interest rate	March 31, 2018	March 31, 2018
Secured					
Loan repayable on demand					
From banks	On Demand	Working Capital Loans are secured by hypothecation of investments made in securities by the Company.	The Interest rate in case of IIFL is 11% and in case of ICICI rate of interest varies from 8.50% to 9.40%.	136,444,402	136,455,376
Total Current borrowings				136,444,402	136,455,376
Less: Current maturities of long-term debt (included in note 13(b))				195,126	-
Current borrowings (as per balance sheet)				136,249,276	136,455,376

13(b) Other financial liabilities

	March 31, 2019	March 31, 2018
Non-current	-	-
Total other non-current financial liabilities	-	-
Current		
Current maturities of long-term debt	13,619,587	9,951,025
Interest accrued	210,220	733,335
Interwst accrued on current borrowings	260,000	-
Capital creditors	1,588,546	4,731,440
Security Deposits	150,000	119,994
Retention monies/Deposit received and others	294,579	-
Employee benefit payable	4,475,995	3,811,267
Total other current financial liabilities	20,598,927	19,347,061

13 (c) Trade Payables

	March 31, 2019	March 31, 2018
Non-current	-	-
Total other non-current Trade Payable	-	-
Current		
Trade payables	6,306,850	13,963,511
Total trade payables	6,306,850	13,963,511

There are no dues to Micro, small and medium enterprises as at March 31, 2019 and March 31, 2018. The identification of Micro, small and medium enterprises as defined under the provisions of "Micro, Small and Medium Enterprises Act, 2006" is based on management's knowledge of their status.

Note 14: Provisions

	March 31, 2019			March 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
Provision for employee benefits						
Gratuity	53,090	2,221,295	2,274,385	163,250	2,319,392	2,482,642
Current Obligation of Leave Encashment	117,944	1,273,130	1,391,074	868,407	1,763,571	2,631,978
Super Annuation Fund	1,620,000	-	1,620,000	1,080,000	-	1,080,000
Bonus	1,388,540	-	1,388,540	194,000	-	194,000
Impairment Provision for Investment in Subsidiaries	18,310,183	-	18,310,183	-	-	-
other	2,976,885	-	2,976,885	4,544,488	-	4,544,488
Total	24,466,642	3,494,425	27,961,067	6,850,145	4,082,963	10,933,108

Note 15: Other current liabilities

	March 31, 2019	March 31, 2018
Statutory tax payables	866,722	2,652,664
Others	521,540	599,050
Total other current liabilities	1,388,262	3,251,714

Note 16 : Revenue from Operations

	March 31, 2019	March 31, 2018
Sale of products	235,138,740	141,587,340
Fair Value of Biological Assets	6,259,605	1,928,962
Other operating revenue	0	2,206,379
Total revenue from continuing operations	241,398,345	145,722,681

Note 17: Other income and other gains/(losses)

	March 31, 2019	March 31, 2018
Rental income	202,828	164,246
Dividend income from equity investments designated at fair value through other comprehensive income (i)	-	503,409
Unrealised Gain through P&L A/C (Investments)	-	3,695,689
Interest income from financial assets at amortised cost	3,529,888	8,387,051
Unwinding of discount on security deposits	-	-
Net gain on disposal of property, plant and equipment (excluding property, plant and equipment sold as part of the discontinued operation)	-	8,209,400
Net gain on sale of investments	2,100,094	9,232,130
Financial Guarantee Fees Income	-	-
Exchange Rate Gain	-	23,197
Balances Written Back	-	343,675
Excess Provision for Tax	2,667,985	1,583
Interest on Income Tax Refund	-	380
Other items	2,944,176	1,534,266
Total other income	11,444,971	32,095,026

Note 18(a): Cost of materials Consumed

	March 31, 2019	March 31, 2018
Raw materials at the beginning of the year	15,473,880	13,562,951
Add: Purchases	165,382,321	142,068,464
Less: Raw material at the end of the year	1,916,827	15,473,880
Total cost of materials consumed	178,939,374	140,157,536

Note 18 (b) : Purchases of stock-in-trade

	March 31, 2019	March 31, 2018
Add: Purchases	7,448,237	6,680,429
Total cost of materials consumed	7,448,237	6,680,429

Note 18 (c) : Changes in inventories of work-in-progress, stock-in-trade and finished goods

	March 31, 2019	March 31, 2018
Opening balance		
Work-in progress	6,480,590	-
Finished goods	13,098,118	9,526,031
Traded goods	8,825,823	-
Total opening balance	28,404,531	9,526,031
Closing balance		
Work-in progress	197,690	6,480,590
Finished goods	24,494,463	13,098,118
Traded goods	8,224,171	8,825,823
Total closing balance	32,916,324	28,404,531
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	(4,511,793)	(18,878,500)

Note 19: Employee benefit expense

	March 31, 2019	March 31, 2018
Salaries, wages and bonus	50,182,083	42,117,742
Contribution to provident fund	1,697,156	1,733,891
Leave compensation	295,460	3,031,472
Post-employment benefits expenses	474,758	2,474,221
Staff welfare expenses	286,701	980,764
Total employee benefit expense	52,936,158	50,338,090

Note 20: Finance costs

	March 31, 2019	March 31, 2018
Interest on debts and borrowings	18,881,903	17,018,854
Finance costs expensed in profit or loss	18,881,903	17,018,854

Note 21: Depreciation and amortisation expense

	March 31, 2019	March 31, 2018
Depreciation of property, plant and equipment	35,078,440	24,841,825
Amortisation of intangible assets	1,143,260	1,144,346
Total depreciation and amortisation expense	36,221,700	25,986,171

Note 22: Other expenses

	March 31, 2019	March 31, 2018
Consumption of stores and spares	5,789,657	6,120,444
Clearing and Forwarding Expenses	6,121,021	3,527,663
Hardening Expenditure	532,113	108,523
Nursery and Laboratory Expenses	10,470,733	6,099,773
Labour Charges	9,450,995	6,515,287
Repair and maintenance expenses		
Plant and machinery	924,889	177,246
Buildings	1,350,582	798,034
Others	383,356	366,152
Freight	3,218,099	473,535
Telephone and communication charges	773,795	421,742
Water and electricity charges	5,910,320	3,705,196
Rental charges	7,629,475	4,635,412
Rates and taxes	421,478	1,229,419
Legal and professional fees (Refer Note 22(a))	6,601,525	10,837,381
Travel and conveyance	3,870,296	5,121,371
Insurance	709,212	350,717
Printing and stationery	350,325	284,616
Bank Charges	-	17,014
Exhibition and Selling Expenses	1,265,850	633,032
Bad Debts	-	200,000
Security Expenses	1,686,202	1,722,835
Membership Fees	27,840	183,949
Selling Expenses	4,466,651	478,475
Loss on sale of fixed assets	717,854	16,324
Fluctuation loss	103,510	116,747
Miscellaneous expenses	2,289,310	8,681,372
Total other expenses	75,065,088	62,822,259

Note 22(a): Details of payments to auditors

	March 31, 2019	March 31, 2018
Payment to auditors		
As auditor:		
Audit fee	515,000	394,000
Tax audit fee	150,000	125,000
Other Services	100,000	107,735
Total payments to auditors	765,000	626,735

Note 23: Income tax expense

	March 31, 2019	March 31, 2018
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	774,205
Total current tax expense	-	774,205
Deferred tax		
Decrease (increase) in deferred tax assets	4,743,519	(1,281,860)
(Decrease) increase in deferred tax liabilities	1,072,662	2,268,289
Total deferred tax expense/(benefit)	5,816,181	986,428
Income tax expense	5,816,181	1,760,633

Note 24: Commitments and Contingent Liabilities

Particulars	As	As
	March 31, 2019	March 31, 2018
Commitments	-	229,509
Contingent Liability		
Sales tax - Pending C Forms	-	-
Corporate Guarantee given on behalf of Subsidiary Company	145,000,000	142,000,000
Total	145,000,000	142,229,509

Note 25: Capital Management**(a) Risk management**

For the purpose of the Company's capital management, capital includes issued equity capital, compulsorily convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings including interest accrued on borrowings, trade and other payables, less cash and short-term deposits.

The gearing ratios were as follows:

Particulars	March 31, 2019	March 31, 2018
Net debt	210,954,078	240,788,660
Total equity	219,345,684	361,391,487
Net debt to equity ratio	96.17%	66.63%

Note 26: Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group

- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

	March 31, 2019	March 31, 2018
(a) Basic earnings per share	INR	INR
i. Profit (loss) attributable to equity shareholders(basic)	(140,563,715)	(124,966,226)
ii. Weighted average number of equity shares (basic)	5,461,747	5,461,747
Total basic earnings per share attributable to the equity holders of the company	(25.74)	(22.88)
(b) Diluted earnings per share		
i. Profit (loss) attributable to equity shareholders(basic)	(140,563,715)	(124,966,226)
ii. Weighted average number of equity shares (basic)	5,461,747	5,461,747
Total diluted earnings per share attributable to the equity holders of the company	(25.74)	(22.88)

Note 27 : Post Employment benefits**A. Reconciliation of the defined benefit liability**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

Reconciliation of present value of defined benefit obligation

	March 31, 2019	March 31, 2018
Balance at the beginning of the year	2,482,642	1,270,918
Current service cost	1,028,215	700,276
Interest cost	192,744	93,607
Past Service Cost	-	410,488
Actuarial (gains) losses recognised	-	-
- experience adjustments	(1,439,985)	(64,468)
- Financial Assumption adjustment	10,769	(38,984)
Balance at the end of the year	2,274,385	2,371,837

B. Expense recognised in profit or loss

	March 31, 2019	March 31, 2018
Current service cost	1,028,215	700,276
Interest on defined benefit Liability	192,744	93,607
Past service Cost	-	410,488
	1,220,959	1,204,371

Remeasurements recognised in other comprehensive income

	March 31, 2019	March 31, 2018
Actuarial (gain)/loss on Obligation for the period	(1,429,216)	(931,452)
Actuarial (gain)/loss due to DBO assumption change	-	-
	(1,429,216)	(931,452)

C. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	March 31, 2019	March 31, 2018
Discount rate	7.69% to 7.87%	7.73% to 7.87%
Future salary growth	8% to 10%	8% to 10%
Attrition rate	1% to 1.99%	1% to 1.99%
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(156,283)	181,118	(168,259)	193,401
Future salary growth (1% movement)	124,075	(104,561)	128,893	(109,750)
Attrition rate (1% movement)	(25,763)	29,184	(26,328)	28,923

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Note 28. Financial Risk Management Framework**Risk management framework**

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Company's exposure to customers is towards related parties and not subject to significant credit risk based on past history.

Current Investment:

The Company holds current investment in mutual funds of at March 31, 2019 and March 31, 2018. The credit risk on mutual funds is limited.

Cash and cash equivalents

The Company holds cash and cash equivalents. The credit risk on liquid funds is limited.

Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Year ended March 31, 2019

	On Demand	in next 12 months	>1 year <5	> 5 year	Total
Borrowings	209,404,093	136,249,276	73,154,817	-	209,404,093
Trade payables	6,306,850	6,306,850	-	-	6,306,850
Other financial liabilities	20,598,927	20,598,927	-	-	20,598,927
Total	236,309,871	163,155,054	73,154,817	-	236,309,871

Year ended March 31, 2018

	On Demand	in next 12 months	>1 year <5	> 5 year	Total
Borrowings	221,756,033	136,455,376	85,300,657	-	221,756,033
Trade payables	13,963,511	13,963,511	-	-	13,963,511
Other financial liabilities	19,347,061	19,347,061	-	-	19,347,061
Total	255,066,606	169,765,949	85,300,657	-	255,066,606

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

Sensitivity analysis

	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Forex rate fluctuation (1% movement)	-	-	-	-

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company keeps majority of its borrowings with floating interest rates and company looks out for opportunity for optimization of interest cost, based on prevailing market scenarios and performance of the company.

Note 29 : operating leases

- The Company does not have financial lease arrangement.
- The Company has taken office premises under short term lease arrangements and are renewable on mutually agreeable terms.

	March 31, 2019	March 31, 2018
Total rental expense relating to operating leases	7,629,475	4,635,412

Note 30 : Related Party Disclosures**Transactions with Related Parties as specified under Ind- AS 24****A. Key management personnel**

S. No.	Name of Personnel	Nature of relationship
1.	Mr. Viral Desai	Managing Director
	(Up to March 29, 2019)	Partner in LLP Subsidiary
2.	Mr. Paras Desai	(w.e.f August 09, 2018) Chief Financial Officer
	(w.e.f December 07, 2018)	Director in Subsidiary
	(w.e.f December 20, 2018)	Partner in LLP Subsidiary
3.	Ms. Samiksha Kansara	Company Secretary
4.	Mr. Bimal Desai	(Up to December 07, 2018) Director in Subsidiary
	(Up to December 20, 2018)	Partner in LLP Subsidiary
5.	Mr. Symon Fry	(Up to March 08, 2019) Director
6.	Mr. Greg Cochran	(w.e.f. March 08, 2019) Director
7.	Mr. Urmil Rawal	Partner in LLP Subsidiary
8.	Mr. Hardik Shah	(Up to March 29, 2018) Partner in LLP Subsidiary
9.	Mr. Paresh Patel	Partner in LLP Subsidiary

B. Enterprises over which Key Management Personnel exercises significant influence

S. No.	Name of Personnel	Enterprises	Relationship
1.	Mr. Viral Desai	Span Bioproducts Private Limited	Director
		Athreyas Wellness Private Limited	Director
		Micronclean India Private Limited	Director
2.	Mr. Simon Fry	Micronclean India Private Limited	Director
3.	Mr. Greg Cochran (w.e.f. March 08, 2019)	Micronclean India Private Limited	Director

C. Relatives of key management personnel and their enterprise, where transactions have taken place.

S. No.	Name of Personnel
1.	Ms. Sujata V. Desai
2.1	Dr. Pradip K. Desai

D. Transactions with related parties during the year ended

S. No.	Name of Personnel	Nature of transactions	March 31, 2019	March 31, 2018
1	Mr. Viral Desai	Director Remuneration	6,280,160	85,95,000
		Rent	540,617	624,502
2	Mr. Samkit Mehta (up to August 15, 2017)	Salary	-	668,966
3	Mr. Minesh Patel (up to August 09, 2018)	Salary	133,901	60,932
		Loan repayment	5,000	5,000
4	Mr. Pankaj Ajmera (up to August 31, 2017)	Salary	-	49,220
5	Ms. Samiksha Kansara (w.e.f September 01, 2017)	Salary	192,000	112,000
6	Ms. Sujata Desai	Salary	2,702,735	605,300
		Rent	648,915	549,985
7	Dr. Pradip K. Desai	Sale of Fixed Assets	3,468,917	-
8	Mr. Bimal Desai	Salary	6,242,278	8,475,000
9	Mr. Urmil Raval	Salary	1,153,252	1,484,086
10	Mr. Hardik Shah	Salary	1,130,648	1,306,176
		Capital Repayment	1,000	-
11	Mr. Paresh Patel	Salary	5,636,400	4,959,500
12	Mr. Paras Desai (w.e.f August 09, 2018)	Salary	4,267,758	-

E. Balances outstanding

S. No.	Name of the related party	Nature of balances	March 31, 2019	March 31, 2018
1	Mr. Viral Desai	Payable		
		Director Remuneration	1,408,757	387,261
		Receivable		
		Rent Deposit	151,000	151,000
2	Ms. Samiksha Kansara	Payable		
		Salary	15,800	15,800
3	Ms. Sujata Desai	Payable		
		Salary	205,665	26,401
		Receivable		
		Rent Deposit	100,000	100,000
4	Mr. Urmil Raval	Payable		
		Capital	1,000	1,000
		Salary	101,794	78,595
		Receivable		
		Other Receivable	180,000	-
5	Mr. Hardik Shah	Payable		
		Capital	-	1,000
		Salary	264,586	67,410
6	Mr. Paresh Patel	Salary and Other Payable	1,031,653	1,076,866
7	Mr. Paras Desai (w.e.f. August 09, 2018)	Salary and Other Payable	290,604	-

Note 31 : Fair value measurement of financial instruments

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

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

a) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:							
Current							
i. Investments	163,616,058	-	163,616,058	-	-	163,616,058	163,616,058
ii. Trade receivables	14,555,301	-	-	-	-	14,555,301	-
iii. Cash and cash equivalents	18,902,195	-	-	-	-	18,902,195	-
iv. Bank balances other than (iii) above	81,007	-	-	-	-	81,007	-
v. Others	8,404,903	-	-	-	-	8,404,903	-
Total	205,559,464	-	163,616,058	-	-	205,559,464	163,616,058
Liabilities:							
Non-Current							
i. Borrowings	73,154,817	-	-	-	-	73,154,817	-
Current liabilities							
i. Borrowings	136,249,276	-	-	-	-	136,249,276	-
ii. Trade payables	6,306,850	-	-	-	-	6,306,850	-
iii. Other financial liabilities	20,598,927	-	-	-	-	20,598,927	-
Total	236,309,871	-	-	-	-	236,309,871	-

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:							
Current							
i. Investments	254,982,265	-	254,982,265	-	-	254,982,265	254,982,265
ii. Trade receivables	23,779,656	-	-	-	-	23,779,656	-
iii. Cash and cash equivalents	17,529,660	-	-	-	-	17,529,660	-
iv. Bank balances other than (iii) above	232,551	-	-	-	-	232,551	-
v. Others	7,066,112	-	-	-	-	7,066,112	-
Total	303,590,244	-	254,982,265	-	-	303,590,244	254,982,265
Liabilities:							
Non-Current							
i. Borrowings	85,300,657	-	-	-	-	85,300,657	-
Current liabilities							
i. Borrowings	136,455,376	-	-	-	-	136,455,376	-
ii. Trade payables	13,963,511	-	-	-	-	13,963,511	-
iii. Other financial liabilities	19,347,061	-	-	-	-	19,347,061	-
Total	255,066,606	-	-	-	-	255,066,606	-

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2019 :

Fair value measurement using					
	Date of valuation	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
		(Level 1)	(Level 2)	(Level 3)	
Current					
(i) Investments	March 31, 2019	163,616,058	-	-	163,616,058
Total		163,616,058	-	-	163,616,058

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2018:

Fair value measurement using					
	Date of valuation	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
		(Level 1)	(Level 2)	(Level 3)	
Current					
(i) Investments	March 31, 2018	254,982,265	-	-	254,982,265
Total		254,982,265	-	-	254,982,265

Note 32 : Expenditure in foreign currency

Particulars	March 31, 2019	March 31, 2018
Expenditure in foreign currency	340,803	621,433

Note 33 : Exceptional items

In case of subsidiary Biospan Scientific LLP as at March 31, 2019, the LLP had accumulated losses of Rs.147 Lacs during the preceding 3 years and Rs. 10 Lacs in the current year and as of that date, there is substantial erosion in the net worth of the LLP. Hence the management has decided to impair the investment and Rs. 183 Lacs provided in the books of the company and treated as an exceptional item during the year.

For the year ended 31 March 2018, Exceptional item pertains to final settlement from Business Transfer of IVD Business vide Business Purchase Agreement for slump sale transaction happened on March 05, 2015. The amount of Rs. 400 lakhs which was kept in Escrow Account has been received from Arkray Healthcare Pvt. Ltd. after deduction of Rs. 63.95 Lakhs on account of un-recovered assets comprising of SAD refund, deposits, account receivables etc. Since the original transaction for the slump sale was considered as an exceptional item in March 2015 financial statements, the said provision for deduction amount of Rs. 63.95 Lakhs has also been considered as an exceptional item.

Note 34 : Earnings in Foreign Currency

Particulars	March 31, 2019	March 31, 2018
Finished Goods	40,324	-

Note 35 : Value of imports calculated on CIF Basis

Particulars	March 31, 2019	March 31, 2018
Traded Goods, Raw material and biological assets	26,879,549	28,089,199

Note 36 : Imported and Indigenous material consumed

Particulars	March 31, 2019	March 31, 2018
Imported	26,879,549	28,089,199
Indigenous	159,508,061	118,748,766
Total	186,387,611	146,837,965

Note 37 : Salient features of subsidiaries as per the Companies Act, 2013

a. Subsidiaries considered in consolidated financial statement

Name of Subsidiary	Reporting Currency
Span Diagnostic SA (PTY) Limited	ZAR
Biospan Contamination Control Solutions Pvt. Limited	INR
Aranya Agri Biotech LLP	INR
Dry Fruit Factory LLP	INR
Biospan Scientific LLP	INR
Span Diagnostic LLP	INR
Desai Farmharvest LLP	INR

b. Details of Subsidiary as under :

Name of Subsidiary	Share Capital/ Partners Capital (Includes Fixed & Fluctuating Capital)	Other Equity/Reserve and Surplus	Total Assets	Total Liabilities	Turnover	Profit before tax
Span Diagnostic SA (PTY) Limited	6,179	(1,655,140)	894,187	2,528,579	-	-
Biospan Contamination Control Solutions Pvt. Limited	1,000,000	(18,508,003)	7,985,249	25,493,252	8,292,567	(16,457,705)
Aranya Agri Biotech LLP	66,702,087	(64,911,266)	53,495,033	51,704,211	36,993,821	(33,130,562)
Dry Fruit Factory LLP	165,460,352	(121,069,248)	168,348,938	123,957,834	193,755,982	(53,462,328)
Biospan Scientific LLP	18,310,360	(157,162,920)	3,426,864	832,797	5,611,514	(982,846)
Span Diagnostic LLP	155,902	(38,858)	117,044	-	-	(5,537)
Desai Farmharvest LLP	1,500,000	(203,298)	1,296,702	-	-	(4,345)

c. Additional Information, required as under schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiaries

Name of Enterprise	Share in Profit & Loss		Share in Net Assets	
	% of Consolidated Profit & Loss	Amount	% of Consolidated Net assets	Amount
Parent				
Span Divergent Limited	22.96%	(32,421,487)	93.67%	459,183,403
Subsidiaries				
Span Diagnostic SA (PTY) Limited	0.00%	-	-0.34%	(1,661,319)
Biospan Contamination Control Solutions Pvt. Limited	11.79%	(16,651,050)	-3.57%	(17,508,003)
Aranya Agri Biotech LLP	23.46%	(33,130,562)	0.37%	1,790,822
Dry Fruit Factory LLP	41.08%	(58,012,724)	9.06%	44,391,104
Biospan Scientific LLP	0.70%	(982,624)	0.53%	2,594,068
Span Diagnostic LLP	0.00%	(5,537)	0.02%	117,044
Desai Farmharvest LLP	0.00%	-	0.26%	1,296,702

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

As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No: 103523W / W100048

For and on behalf of the Board of Directors
Span Divergent Limited

Viral P. Desai
Managing Director
DIN : 00029219

Dr. Pradip K. Desai
Director
DIN : 00026451

Hemant J. Bhatt
Partner
Membership No: 036834

Paras Desai
CFO

Samiksha Kansara
Company Secretary

Place : Surat
Date : May 17, 2019

Place : Surat
Date : May 17, 2019

To,
Link Intime India Private Limited
Unit: Span Divergent Limited
Link Intime India Private Limited
C – 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083

Dear Sir / Madam

Subject: Updation of Shareholder Information

I / We request you to record the following information against my / our Folio No.:

General Information:

Folio No.:	
Name of the First named Shareholder:	
CIN / Registration No.: (applicable to Corporate Shareholder)	
Tel No. with STD Code:	
Mobile No.:	
Email ID:	

Self attested copy of the document(s) enclosed

Bank Details:

IFCS (11 Digit):	
MICR 9 (Digit):	
Bank A/c Type:	
Bank A/c No.:	
Name of the Bank:	
Bank Branch Address:	

A blank cancelled cheque is enclosed to enable verification of bank details

I / We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I / We would not hold the Company / RTA responsible. I / We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I / We understand that the above details shall be maintained till I / We hold the securities under the above mentioned Folio No. / Beneficiary account.

Place:

Date:

Signature of Sole / First Holder

SPAN DIVERGENT LIMITED

(Formerly Span Diagnostics Limited)

CIN: L74999GJ1980PLC003710

Regd. Office: 9th Floor, 902 – 904, Rajhans Bonista, Behind Ram Chowk Temple, Ghod Dod Road, Surat – 395 007

Tel No.: 0261 – 266 32 32 / Fax No.: 0261 – 266 57 57 Email Id: mail@span.in Website: www.span.in

Form MGT 11**Proxy Form**

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

Venue of Meeting: Hall at 1st Floor, Samruddhi Building, Makkai Pool, Nanpura, Surat – 395 001**Day, Date & Time:** Friday, September 27, 2019 at 11:00 a.m.

Name of Members	
Registered Address	
No. of Shares held	
Folio No./DP Id & Client ID	
Joint Holder(s)	
Email Id	

I/We _____ of _____ being member / members of Span Divergent Limited (Formerly Span Diagnostics Limited) hereby appoint the following as my / our proxy to attend and vote on a poll (for me/our behalf at the 39th Annual General Meeting of the Company to be held on Friday, September 27, 2019 at 11:00 a.m. and at any adjournment thereof) in respect of such resolutions as are indicated below:

- 1) Name: _____ Registered Address: _____
 Email Id: _____ Signature: _____
 or failing him / her
- 2) Name: _____ Registered Address: _____
 Email Id: _____ Signature: _____
 or failing him / her
- 3) Name: _____ Registered Address: _____
 Email Id: _____ Signature: _____

Resolution No.	Resolution	No. of Shares held	Optional*	
			For	Against
Ordinary Business				
1.	Adoption of Financial Statements for the year ended on March 31, 2019			
2.	Re-appointment of Dr. Pranav S. Desai as Director of the Company who retires by rotation			
Special Business				
3.	Regularization of Additional Director, Dr. Manjula Subramaniam and appointment as an Independent Non-executive Director			
4.	Re-appointment of Mr. Kamlesh M. Patel (DIN: 01521972) as an Independent Non-executive Director.			
5.	Re-appointment of Mr. Needamangalam Gopalswami (DIN: 02779229) as an Independent Non-executive Director			
6.	Re-appointment of Mr. Shyamal Ghosh (DIN: 00267341) as an Independent Non-executive Director			
7.	Re-appointment of Mr. Sushil K. Shah (DIN: 00179918) as an Independent Non-executive Director			
8.	Re-appointment of Mr. Viral Pradipkumar Desai (DIN: 00029219) as a Managing Director of the Company			

Signed this _____ day of _____, 2019

Affix one Rupee
Revenue Stamp

Signature of Shareholder**Notes:**

- This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting
- Proxy need not be a member of the Company
- In case of Joint Holders, the vote of the senior who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- *It is optional to put "X" in the appropriate column against the resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any resolutions or all resolutions, your proxy will be entitle to vote in the manner as he / she thinks appropriate.

SPAN DIVERGENT LIMITED

(Formerly Span Diagnostics Limited)

CIN: L74999GJ1980PLC003710

Regd. Office: 9th Floor, 902 – 904, Rajhans Bonista, Behind Ram Chowk Temple, Ghod Dod Road, Surat – 395 007

Tel No.: 0261 – 266 32 32 / Fax No.: 0261 – 266 57 57

Email Id: mail@span.in Website: www.span.in

Attendance Slip for 39th Annual General Meeting**Registered Folio / DP ID & Client ID****No. of Shares****Name and Address of the Shareholder(s):****Joint Holder(s):**I/We hereby record my / our presence at the 39th Annual General Meeting of the Company being held on Friday, September 27, 2019 at 11:00 a.m. at Hall at 1st Floor, Samruddhi Building, Makkai Pool, Nanpura, Surat – 395 001 .**If Shareholder(s), please sign here****If Proxy, please mention name and sign here****Name of the Proxy****Signature****Note: Please sign this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL.****ELECTRONIC VOTING PARTICULARS****Electronic Voting Sequence Number
(EVSN)****User ID**

-

***Default PAN**

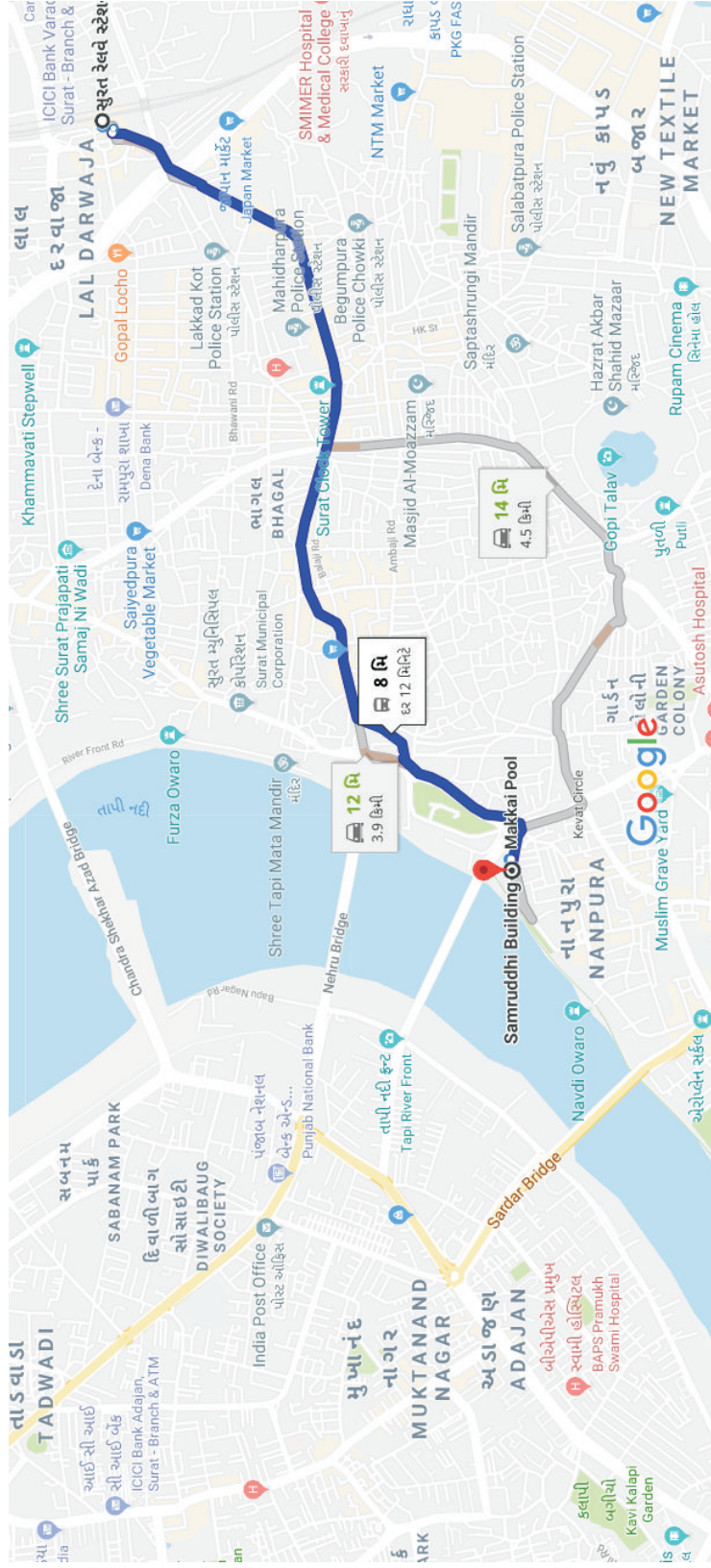
-

*Only Members who have not updated their PAN with the Company / Depository Participants shall use default PAN in the PAN Field.

Note: Please read the instructions for e-voting given along with Notice of the 39th Annual General Meeting. The Voting Period starts from Tuesday, September 24, 2019 (9:00 a.m.) and ends on Thursday, September 26, 2019 (5:00 p.m.)

VENUE ROUTE

Route Map to the Venue of Thirty Ninth Annual General Meeting





Span Divergent Ltd.

(Formerly Span Diagnostics Ltd.)

CORPORATE OFFICE : 9th Floor, Rajhans Bonista,
B/h, Ram Chowk, Ghod-Dod Road, Surat - 395 007, INDIA
PHONE : +91 261 266 32 32

E-MAIL : secretarial@span.co.in WEBSITE : www.span.in