

Date: September 05, 2020

**To,
BSE Limited,
Corporate Relationship Department
25th Floor, Phirozee Jeejeebhoy Towers,
Dalal Street, Mumbai-400001**

Dear Sir/Madam,

**Subject: Annual Report (Integrated) for the Financial Year 2019–20 and Notice convening the
40th Annual General Meeting
- Scrip Code: 524727**

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended from time to time, we are submitting herewith Annual Report (Integrated) of the Company for the Financial year ended March 31, 2020 (2019-20) along with Notice convening 40th Annual General Meeting of the Shareholders of the Company scheduled to be held on Monday, September 28, 2020 at 11:30 a.m. Indian Standard Time (IST) through Video Conferencing / Other Audio Visual Means ('VC/OAVM) facility.

Kindly take the above information on your record.

Thanking you,

Yours faithfully,

For Span Divergent Limited

**Samiksha Kansara
Company Secretary**

Encl.: As above



Span Divergent Limited
40th Annual Report
2019-20

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	Director

COMPANY SECRETARY

Ms.Samiksha Kansara

CHIEF FINANCIAL OFFICER

Mr.Paras Desai

BANKERS**HDFC BANK LIMITED**

Chaintanya Jyoti, Maskati Plot, Vibhag-2, Plot No. 32,
Opp. Raymonds Showrooms, Dumas Road, Surat - 395007

STATUTORY AUDITORS**M/S.Haribhakti & Co.LLP**

Chartered Accountant
407A Pinnacle Business Park, Corporate Road, Prahalad Nagar,
Ahmedabad 380015

**HEAD OFFICE &
REGISTERED OFFICE**

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

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NOTICE

To,
THE MEMBERS OF SPAN DIVERGENT LIMITED

NOTICE is hereby given that the 40th Annual General Meeting (AGM) of Shareholders of Span Divergent Limited (Formerly Span Diagnostics Limited) will be held on **Monday, September 28, 2020 at 11:30 A.M. Indian Standard Time (IST)** through Video Conferencing / Other Audio Visual Means ("VC/OAVM") facility to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt:

(a) The Audited Financial Statements of the Company for the financial year ended on March 31, 2020, and the Reports of the Board of Directors and Auditor thereon.

(b) The Audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2020 and reports of Auditor thereon.

2. To appoint a director in place of Dr. Pradip K Desai (DIN: 00026541) who retires by rotation and being eligible, offer himself for reappointment.
3. To appoint M/s. Y. B. Desai & Associates., Chartered Accountants as Statutory Auditors of the Company and fix their remuneration in place of retiring auditor M/s. Haribhakti & Co. LLP

"RESOLVED THAT pursuant to the provisions of the Section 139, 142, and Auditors Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. Y. B. Desai & Associates (Firm Registration Number 102368W) Chartered Accountants, who have offered themselves for appointment in place of retiring auditors and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and rule 4 of the rules, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this 40th Annual General Meeting until the conclusion of 45th Annual General Meeting of the Company to be held for the year ended on March 31, 2025 on such remunerations as may be agreed upon by Board of Directors in consultation with the said Auditors.

SPECIAL BUSINESS

4. Payment of remuneration to Non- Executive Directors

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

"RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17(6)(ca) and other applicable regulations of Listing Regulations as amended from time to time, Section 197, 198 and other applicable provisions of the Companies Act, 2013 including any statutory modifications(s) or re-enactment(s) thereof for the time being in force, the Consent of the members be and is hereby accorded for the payment of remuneration not exceeding INR 2,00,000 per month to Dr. Pradip K Desai, Director of the Company who is the only Non Executive Director to whom the Company is paying remuneration in his capacity as Non Executive Director and authorize the Board of Directors, may in its absolute discretion, fix, vary, alter the actual remuneration paid to Dr. Pradip K Desai, Director of the Company.

"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 and authorize any of the Directors and / or Company Secretary of the Company for the purpose of giving effect to this Resolution."

Date : July 10, 2020
Place : Surat

For and on behalf of the Board of Directors

Samiksha Kansara
Company Secretary

Registered Office:

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

Notes:

- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), setting out the material facts with respect to the Special Business set out in the Notice is annexed hereto and forms part of this Notice. The Board of Directors of the Company considered that the special business under Item Number 4 being considered unavoidable be transacted at the 40th AGM of the Company.
- The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
- The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2020 to September 28, 2020 (both days inclusive).
- 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 4918600, Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in
- Process for registration of Email Id for obtaining Annual Report, User ID and password for e-voting and updation of bank account mandate
 - In case shares are held in physical mode, members are requested to visit the website of Company's Registrar & Transfer Agent, Link Intime India Private Limited at https://linkintime.co.in/EmailReg/Email_Register.html and upload the documents required therein
 - In case shares are held in demat mode, members are requested to update Email Id and bank account details with their respective Depository Participants.

- f. 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.
- g. 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.
- h. 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 2012 – 13 till dividend for the financial year 2018 – 19, on the website of the Company viz. www.span.in.
- i. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.
- j. As per Section 118(1) of the Companies Act, 2013 read with the Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India, "No gifts, gift coupons or cash in lieu of gifts shall be distributed to the members in connection with the meeting".
- k. Documents referred to in the notice are open for inspection at the registered office of the Company during business hours on any working day except Saturday and holidays up to the date of Annual General Meeting.

l. General instructions for accessing and participating in the AGM through VC/OAVM Facility and voting through electronic means including remote e-voting:

- 1) In view of the continuing CoViD-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") and MCA Circulars, the AGM of the Company will be held through VC / OAVM.
- 2) Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form, Attendance Slip and Route Map are not annexed to the Notice.**
- 3) In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website www.span.in, website of stock exchanges i.e. BSE Limited at www.bseindia.com and on the website of National Securities Depository Limited at www.evoting.nsdl.com.
- 4) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 5) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting during AGM on the date of the AGM will be provided by NSDL.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

- 6) The remote e-voting period begins on September 25, 2020 at 9:00 A.M. (IST) and ends on September 27, 2020 at 5:00 P.M. (IST). During this period, Members of the Company, holding shares in either physical form or in dematerialized form as at the cut-off date of September 21, 2020 may cast their vote electronically. Any person who acquires shares of the Company and becomes member of the Company after dispatch of this Notice and holding shares as on September 21, 2020 may obtain the login ID and Password by sending request at evoting@nsdl.co.in. The e-voting module shall be disabled by NSDL for voting after September 27, 2020 at 5:00 P.M. (IST).
- 7) The details of process and manner for remote e-voting and e-voting during the AGM are as under:
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
Step 2: Cast your vote electronically on NSDL e-Voting system.

A. Detail on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

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

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in this Notice.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

B. Detail on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e- Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csmiteshrana@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to evoting@nsdl.co.in

Grievances connected with e-voting may be referred to:

Mr. Pratik Bhatt, NSDL,

4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

Email Id: evoting@nsdl.co.in / pratikb@nsdl.co.in, Tel: +91 22 24994738 / 1800 222 990

8) Instructions for Members for attending the AGM through VC / OAVM:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis.
3. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered Email Id mentioning their Name, DP ID and Client ID / Folio No., PAN, Mobile No. to the Company at secretarial@span.co.in from September 15, 2020 to September 22, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
4. Members who need assistance before or during the AGM, can contact on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager, NSDL at amitv@nsdl.co.in / +91 22 24994360 / +91 9920264780 or Mr. Sagar Ghosalkar, Assistant Manager, NSDL at sagar.ghosalkar@nsdl.co.in / +91 22 24994553 / +91 9326781467.
5. **Recommendation to the Members:** It is recommended to join the AGM through laptop for better experience. You are requested to use internet with a good speed to avoid any disturbance during the meeting. Members connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio / video loss due to fluctuation in their data network. It is therefore recommended to use stable wi-fi or wired connection to mitigate any kind of aforesaid glitches.
6. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
7. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@span.co.in

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@span.co.in

OTHER INSTRUCTIONS

- I. 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.
- II. Chairman of the Company and in his absence Mr. Viral P Desai, Managing Director will declare the voting results based on scrutinizers report received on e-voting and voting during the meeting. The voting results along with scrutinizers report will be displayed on Company's website www.span.in and Stock Exchange's website www.bseindia.com.

Date : July 10, 2020

Place : Surat

For and on behalf of the Board of Directors

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. 4 of the accompanying Notice dated July 10, 2020.

Resolution at Item No. 4

As per the provisions of Regulation 17 (6) of the Listing Regulations, all fees / compensation, payable to Non-Executive Directors shall be fixed by the Board of Directors and shall require approval of shareholders in general meeting.

Further a new clause 17(6)(ca) has been inserted in the Listing Regulations by way of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 wherein the listed companies are required approval of shareholders by way of special resolution in case the annual remuneration payable to single non executive director exceeds 50% of total annual remuneration payable to all non executive directors of the Company. Dr. Pradip K Desai is only Non – Executive Director of the Company who is being paid remuneration not exceeding Rs.2,00,000 per month. Except this remuneration paid to Dr. Pradip K Desai, your company does not give any monetary benefit to any non executive director of the Company except the sitting fees for attending the meetings of Board or Committee thereof and reimbursement of expenses, therefore the payment made to Dr. Pradip K Desai constitutes more than 50% of the total remuneration payable to all Non-Executive Directors of your Company. In view of the above, approval of Members is being sought for payment of remuneration to Non-Executive Directors as set out in the Special Resolution at Item No. 4 of this Notice. The said remuneration to Non-Executive Directors shall be in addition to the sitting fee and re-imburement of expenses payable to them.

Save and except Dr. Pradip K Desai (himself) and Mr. Viral P Desai, Managing Director of the Company, being son of Dr. Pradip K Desai, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 04 of the Notice.

The Board recommends the Special Resolution as set out at Item No. 04 for approval by the Members.

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

Name of the Director	Dr. Pradip K Desai
Date of Birth	September 22, 1939
Age	82
Qualification	M. D. Pathology
Experience in Specific functional area	He is the Founder Chairman and key promoter as well as Director of Span Divergent Ltd (Formerly Span Diagnostics Ltd.). He is MD (Pathology) from B. J. Medical College, Ahmedabad with brilliant academic career. While practicing as Pathologist at Surat since 1966 onwards, he established Span Diagnostics in 1972 to manufacture and market IVD products with in-house R & D efforts. He has published several research papers and filed Patents in field of IVD. He occupied several prestigious positions, some are as follows: <ul style="list-style-type: none"> ▪ Founding president of Association of Diagnostics Manufacturers of India (ADMI). ▪ Founder, President & Trustee, Surat Raktadan Kendra, Surat (A leading Blood bank of India). ▪ Advisor in Pathology & Trustee, Muljibhai Patel Urological Hospital, Nadiad ▪ Chairman, Span Education & Research Foundation, Surat. ▪ Member, Govt. of India's Task force on promoting large scale use of Biotechnology (1994-99). ▪ Member of Expert Group on Development of Immunodiagnostic Kits, DBT, Delhi (1996-1999) ▪ Member of Gujarat Council of Biotechnology (2005-2008) ▪ Member of Biotechnology Committee of FICCI (2005-2006) ▪ Member of Platform Technology Committee for the formulation of 11th Five Year Plan, DBT, Delhi. (2006)
Director Since	Since Inception of the Company
List of Companies in which outside directorship held	(1) Span Bioproducts Private Limited (2) Athreyas Wellness Private Limited (3) Span Finstock Private Limited (4) Vanita Vishram
Membership of Committee of the Board of Director of the Company	Stakeholders Relationship Committee
Membership in Committee in other Companies	NA
Relationship with other Directors, Manager and other Key Managerial Personnel	Dr. Pradip K Desai is father of Mr. Viral P Desai who is Managing Director of the Company.
No. of Shares held	22,07,380

Date : July 10, 2020

Place : Surat

For and on behalf of the Board of Directors

Samiksha Kansara
Company Secretary

Registered Office:

9th Floor, 902 – 904, Rajhans Bonista, Behind Ram Chowk Temple, Ghod Dod Road,

Surat – 395 007

CIN: L74999GJ1980PLC003710

DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting the 40th 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, 2020.

1. FINANCIAL SUMMARY/PERFORMANCE OF THE COMPANY

The financial performance of the Company for the financial year ended March 31, 2020 along with figures of previous financial year is summarised below:

a) Standalone Financial Results

Particulars	Amount (Rs. In Lacs)	
	2019 - 2020	2018 - 2019
Total Revenue	319.57	296.24
Profit/(Loss) before tax, Depreciation and Finance Cost (Excluding extraordinary income/(Loss))	119.03	(0.78)
Less: Finance Cost	(23.14)	(17.26)
Profit/(Loss) before Depreciation	95.89	(18.03)
Less: Depreciation	(91.59)	(112.35)
Profit/(Loss) before tax	4.30	(130.38)
Exceptional Item	(53.57)	(183.10)
Profit/(Loss) before tax	(49.27)	(313.49)
Income Tax Expense	(14.21)	10.73
Profit/(Loss) for the period from continuing operations	(35.06)	(324.21)
Other comprehensive income		
Remeasurement costs of Post employment benefits	(0.66)	(7.98)
Deferred tax on post employment	0.18	0.02
Other comprehensive income for the year, net of tax	(0.48)	(7.96)
Total comprehensive income for the year	(35.54)	(332.17)
Earnings per equity share for profit from operation attributable to owners of the entity:		
Basic earnings per share	(0.64)	(5.94)
Diluted earnings per share	(0.64)	(5.94)

b) Consolidated Financial Performance

Consolidated Financial Statements prepared in Accordance with Section 133 of the Companies Act, 2013 read with the rules made there under and Indian Accounting Standards (Ind AS) along with Auditor's Report form part of the Annual Report.

Consolidated Sales of your Company for the financial year ended March 31, 2020 is 937.92 Lacs vis-a-vis 2413.98 Lacs in the previous year, registering a decline of 61.15%. Consolidated Net loss attributable to the owners of the Company for the financial year ended March 31, 2020 is (776.97) Lacs vis-a-vis (1217.49) Lacs in the previous year, registering a decrease by 36.18%.

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 2019 - 20. 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, 2020.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CoViD-19 pandemic is an unprecedented health situation in the world, which has swept almost all the countries under its effect. In the last month of FY 2020, government enforced nation wide lockdown in India of all economic activities.

During lockdown period, corporate office staff worked as per "work from home" policy. The Corporate office of the Company is resumed with minimum staff as per the approvals/clearances from the Government of Gujarat and the Company is complying with all the requirements related to Social Distancing, mandatory to wear face mask and have proper sanitizations frequently.

Span Divergent Limited (SDL) is a Holding Company and it has its investment in various businesses run by the subsidiary companies/LLPs. Its ability to be run as a going concern largely depends upon the ability of the various subsidiary companies.

During the Financial Year 2019-20, the Company has incurred losses which includes an exceptional item of Rs 53,56,834 contributed by Impairment of capital invested in a subsidiary company, Aranya Agribiotech LLP. The principal reasons for such losses are attributed to the fact that the Company's investments are in two business verticals, which are into start-up phase.

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 in South Africa and a Pvt Limited Company based in India operating in 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 and brief status of each of subsidiary, where Company is actively pursuing the business development are as follows:

Dryfruit Factory LLP (DFFL):

LLP has Dry Fruits processing plant near Ahmedabad; Gujarat for processing of Raw Cashew Nuts (RCNs) into a finished cashew, whose commercial production started since second quarter of FY2018 and which is accredited with ISO 9001:2015 and Food Safety System Certification (FSSC) 22000.

LLP has entered in to long term Tolling Agreement to ensure that plant is utilized for its maximum capacity.

Tolling Operation was continued till the nationwide lock down was declared with substantial pending Work in Progress inventory and upon lifting of the lockdown, fresh stock of Raw Cashew Nuts for processing has been received by DFFL.

However, due to such intermittent nation-wide disruption of operations, it was not possible to get plant run on full capacity by April 2020 as per original plans. Under these circumstances, there is likely hood of achieving breakeven level sales turnover with significant delay as compared to original plan due to the continued effect of lock down and on-going pandemic situation.

During the year under review, the LLP yielded Total Revenue of INR 801.77 lacs and net loss of INR (354.28) Lacs as against Total Revenue INR 1937.56 Lacs and net loss of INR (580.12) Lacs of previous year. The Total Comprehensive Income of the LLP for the year ended March 31, 2020 is INR (354.29) lacs as against INR (582.31) Lacs in previous year. The loss is attributed mainly to the less utilization of plant capacity in the initial phase of Tolling Agreement, and LLP was under the stabilization period for the tolling contract in terms of establishing process equipment to achieve full capacity, Sudden nationwide lock down in the last week of March 2020 also contributed to the loss, as substantial inventory remained unprocessed in Work-in-progress stage.

Aranya Agri Biotech LLP (AABL):

LLP has ventured in to Plant Tissue Culture business by setting up a business in and around Vadodara, Gujarat. The LLP has already acquired an asset of an existing non-operative unit which was in the business of Plant Tissue Culture, which has helped LLP getting strong head way in starting its operation and the LLP become fully operational, in second half of FY2018. Apart from the already available product range, LLP also has started Research and Development to embark upon new products which can be cultivated through tissue culture techniques.

AABL is involved in Plant Tissue Culture business which falls into the Agriculture Activities. The cycle time for the business operation is 13-15 months and agriculture produce in form of Hardened Plants are ready to be sold between the month of June and September. At the end of March 2020, all the plants were in the laboratory, undergoing growth cycle. Also, as part of alternate strategy of manufacturing as a trial to reduce cost, some plants were transferred to another company (Manufacturing was outsourced). The onset of CoViD-19 during the period has an impact on the operation outsourced to the Lab situated at Maharashtra. Due to Lock down, the work has stopped and there is higher mortality than estimated in the outsourced manufacturing unit as well as in the hardening. Due to this LLP is likely to have major impact of revenue in top line for the seasonal sale. However, the financial impact is expected to be relatively lower in terms of cost overrun, as payment for outsourced manufacturing is based on delivery of healthy plants. In fact, LLP has orders in hand and plants are getting shipped during the season as soon as the plants become ready and transporters resume operation ensuring timely delivery commitments.

Further as a part of restructuring, AABL has already decided to down size its business operation, by focusing on high value niche products developed by its in-house R & D. This further reduces the vulnerability of the business to any uncertainty. New R&D laboratory has been started at Vadodara, Gujarat.

During the year under review, the LLP yielded Total Revenue of INR 194.17 lacs and net loss of INR (429.06) Lacs as against Total Revenue INR (369.94) Lacs and net loss of INR (331.31) Lacs of previous year. The Total Comprehensive Income of the LLP for the year ended March 31, 2020 is INR (425.04) lacs as against INR (332.20) 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 LLP (13-15 months), undertaken in an expensive leased premises which called for large operating expenditures.

Desai Farmharvest LLP:

During the year, Span has raised its stake in Desai Farmharvest LLP from 85% to 99%. No operation has started in this LLP. It will be operational at an appropriate time in line with the overall strategy of the LLP. During the year under review, the LLP incurred net loss of INR 0.12 Lacs as against net loss of INR 0.04 lacs in previous year. The Total Comprehensive Income of the LLP for the year ended March 31, 2020 is INR - 0.12 lacs as against INR - 0.04 Lacs in previous year.

Biospan Scientific LLP (BSLLP):

LLP 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, LLP has limited products under its name. No significant business is carried out under this subsidiary LLP and there was no significant impact of CoViD-19 on the business of BSLLP as of March 31, 2020.

During the year under review, the LLP yielded Total Revenue of INR 31.88 lacs and net profit of INR 8.85 Lacs as against Total Revenue INR 56.11 Lacs and net loss of INR (9.83) Lacs of previous year. The Total Comprehensive Income of the LLP for the year ended March 31, 2020 is INR 8.85 lacs as against INR (9.83) 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 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.

BSCCS has been able to supply all the pending orders till the nation-wide lockdown was announced on March 24, 2020. Due to very nature of the products, (being protective gears and disinfectants) the demand of such products is expected to increase in future and outlook for the business is very optimistic.

During the year under review, the Company yielded Total Revenue of INR 42.23 lacs and net loss of INR (110.02) Lacs as against Total Revenue INR 82.93 Lacs and net loss of INR 166.51 Lacs of previous year. The Total Comprehensive Income of the Company for the year ended March 31, 2020 is INR (110.32) lacs as against INR (169.35) Lacs in previous year.

Span Diagnostics LLP:

No operation has started in this LLP. 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 0.32 Lacs as against net loss of INR 0.05 lacs in previous year. The Total Comprehensive Income of the LLP for the year ended March 31, 2020 is INR - 0.32 lacs as against INR - 0.05 Lacs in previous year.

Span Diagnostics South Africa (PTY) Limited:

To explore the business potential in strategically important region, the company had established 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 in past. Being inoperative entity, it is being reviewed and appropriate decision shall be taken going further with respect to its operations

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 Food & Agri and Health Care 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, liasioning and building business in each of these entities.

CoViD-19 pandemic has halted the operations worldwide and there might be supply disruptions, if the pandemic is prolonged. All companies under the group are likely to continue to face interruptions in business with high degree of liquidity crunch and mounting of losses and foresee difficulties in servicing debts. However, recently announced stimulus package by government, if implemented timely and in right spirit along with some relaxation by RBI in credit policy may help the Company put its businesses on track without unsurmountable difficulties. Company is cautiously looking at all the business and in process of taking appropriate steps going further. 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, 2020, Company has 7 employees. The focus of the Company is to enrich its employees by promoting learning & development and providing opportunities for enhancing their knowledge base continuously so that to make them multiskilled in current environment. The Company strives to empower its employees to take up independent responsibility and thereby reaping the benefits of diverse skills set of all employees. During the year, Company continues to have cordial and harmonious relations with its employees.

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.

The business processes were carried out normally during the lock down period; businesses were transacted as per Internal Finance Control system and authority matrix in place under controlled environment.

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 2019-20, 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:**

The Company's Auditor M/s. Haribhakti & Co LLP, Chartered Accountants who were appointed with your approval at the 36th Annual General Meeting till conclusion of 40th Annual General Meeting, will complete their present term on conclusion of the ensuing 40th Annual General Meeting. The Board, on the recommendation of the Audit Committee, recommended for approval of the shareholders, the appointment of M/s. Y B Desai & Associates, Chartered Accountants as the Auditors of the Company for a period of five years from the conclusion of the ensuing 40th Annual General Meeting till the conclusion of the 44th Annual General Meeting. Appropriate resolution seeking your approval to the appointment of M/s. Y B Desai & Associates, Chartered Accountants as the Statutory Auditor is included in the Notice convening 40th Annual General Meeting.

The Auditor's Report issued by Company's Auditor M/s. Haribhakti & Co LLP for the financial year 2019-2020 does not contain any qualifications, reservations or adverse remarks 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, on the recommendation of Audit Committee, 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, 2020. The Secretarial Audit Report is annexed as "Annexure F".

The Secretarial Audit Report for the financial year ended March 31, 2020 does not contain any qualifications, reservations, adverse remarks. On the recommendation of Audit Committee, 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 2020 – 2021.

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.K R & Associates, Vadodara , Chartered Accountants as Internal Auditors of the Company for financial year 2020 – 2021.

10. SHARE CAPITAL

The paid up equity capital of the Company as on March 31, 2020 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 its office is an administrative office only and no manufacturing activity has been carried out during the year in Company. However in the office all the lights used are LED lights and all air-conditioners are rated 5 star 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, 2020, 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.

15. DIRECTORS/KEY MANAGERIAL PERSONNEL

Name of the Director	Designation
Mr.Sanjay Natwarlal Mehta	Director
Dr.Pradipkumar Keshavlal Desai	Director
Dr.Pranav Sureshbhai Desai	Director
Mr.Viral Pradipkumar Desai	Managing Director
Dr.Sushil Kanubhai Shah	Independent Director
Mr.Shyamal Ghosh	Independent Director
Mr.Kamlesh Maganlal Patel	Independent Director
Mr.Needamangalam Gopaldaswami	Independent Director
Dr.Manjula Subramaniam	Woman Independent Director
Mr. Paras Desai	Chief Financial Officer (CFO)
Ms. 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 fulfil 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, four 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. 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 Gopalaswami, Mr. Shyamal Ghosh and Dr. Sushil Shah had been appointed as an Independent Directors of the Company for further term of 5 (Five) years at the Annual General Meeting of the Company held on September 27, 2019 by passing Special Resolutions separately for each Independent Director.

20. RETIREMENTS, RESIGNATIONS AND CHANGE IN THE DESIGNATION

- I. Dr. Pradip K 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. Dr. Manjula Subramaniam was appointed as an Additional Director of the Company with effect from March 23, 2019 to hold office of director up to this Annual General Meeting to be held for the year ended on March 31, 2019. At the Annual General Meeting of the Company held on September 27, 2019, Dr. Manjula Subramaniam was appointment as Non Executive Independent Director of the Company by passing special resolution for term of five years.

21. AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE

The composition of Audit Committee and Nomination and Remuneration Committee and attendance of each member at the Committee meetings held during the year is stated in corporate governance report.

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.

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. There were no cases of sexual harassment complaints received by the Company in the financial year 2019 – 20. 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. LOANS, GUARANTEES AND INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

24. RELATED PARTY TRANSACTIONS

All related party transactions which 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 well as to the Board for approval. You may refer to related party transactions in note No. 26 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.

25. MANAGERIAL REMUNERATION

Name of the Director	Designation	Remuneration in the year 2020 in Rs.	Remuneration in the year 2019 in Rs.	Sitting fees in the year 2020 in Rs.
Mr.SanjayNatwarlal Mehta	Director	NIL	NIL	40,000
Dr.Pradipkumar Keshavlal Desai	Director	5,86,862	NIL	20,000
Dr.Pranav Sureshbhai Desai	Director	NIL	NIL	5,000
Mr.Viral Pradipkumar Desai	Managing Director	48,20,520 ***	62,80,160***	Nil
Dr.Sushil Kanubhai Shah	Independent Director	NIL	NIL	10,000
Mr.Shyamal Ghosh	Independent Director	NIL	NIL	40,000
Mr.Kamlesh Maganlal Patel	Independent Director	NIL	NIL	30,000
Mr.Needamangalam Gopaldaswami	Independent Director	NIL	NIL	40,000
Dr. Manjula Subramaniam	Woman Independent Director	NIL	NIL	10,000
Mr. Paras Desai	Chief Financial Officer	37,51,607 ***	42,67,758***	NA
Ms. Samiksha Kansara	Company Secretary	2,58,000	1,92,000	NA

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

The median remuneration of the employee of the Company for the year 2019 – 20 is Rs. 5,00,018 as against Rs. 5,80,608 for the year 2018 – 19. During the year median remuneration is decreased by 13.88%. There were 7 employees on rolls of the Company at the end of the financial year i.e March 31, 2020. 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	48,20,520	9.64

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, 2019 at reduced salary.

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.

26. AUDITORS' 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 conditions of Corporate Governance Report is attached to this report.

27. MATERIAL CHANGE & COMMITMENTS, IF ANY

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

28. COST AUDITORS

Cost Audit is not applicable to the Company for the year 2020 – 21. Hence No appointment of Cost Auditor was required to be made.

29. 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 is getting managed within a unitary framework. 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 is getting 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.

30. 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 have been followed

- (b) The directors have selected such accounting policies and applied them consistently and made judgements and estimates those 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 correct results 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 and 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 are operating effectively
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively

31. 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.

32. 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 of Directors
Span Divergent Ltd

Date : July 10, 2020
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 endeavoured 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	External Factors
<ul style="list-style-type: none"> ➤ 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 	<ul style="list-style-type: none"> ➤ 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 endeavour 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 DIRECTORS' 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 and the percentage increase in remuneration of each Director in the financial year are as mentioned below:**

The median remuneration of the employees of the Company for the financial year is INR 5,00,018

Name of Directors	Position	Ratio to Median Remuneration	% Increase in remuneration in the financial year
Dr.Pradipkumar Keshavlal Desai*	Non Executive Director	1.14	--
Dr..Manjula Subramaniam	Non Executive Director	--	--
Mr.Sanjay Natwarlal Mehta	Non Executive Director	--	--
Dr.Pranav Sureshbhai Desai	Non Executive Director	--	--
Dr.Sushil Kanubhai Shah	Non Executive Director	--	--
Mr.Shyamal Ghosh	Non Executive Director	--	--
Mr.Kamlesh Maganbhai Patel	Non Executive Director	--	--
Mr.Needamangalam Gopalaswami	Non Executive Director	--	--
Mr.Viral P Desai**	Executive Director	9.64	NIL

*Dr. Pradip K Desai, Director of the Company is being remunerated with effect from April 01, 2019.

**There is no increase in remuneration paid to Mr. Viral P Desai who is reappointed for a further period of 3 years with effect from July 01, 2019 at reduced salary. Includes provision of superannuation, Gratuity and contribution or Provident Fund

- b. **The percentage increase in remuneration of Chief Financial Officer and Company Secretary in the financial year:**

Chief Financial Officer and Company Secretary	% Increase in remuneration in the financial year
Mr. Paras Desai	Nil
Ms. Samiksha Kansara	Nil

- c. **The percentage increase in the median remuneration of employees in the financial year: (13.88)%**

Above figures given here as compared to previous year median is not strictly comparable, since number of employees on rolls of the company stood 7 as at March 31, 2020 as compared to 8 as at March 31, 2019.

- d. **The number of permanent employees on the rolls of the Company: 7**

- 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 annual increase in the salaries of employees other than managerial personnel in the last financial year was around 14%. There was decrease in the Managerial remuneration to the tune of around 24% and hence the per employee remuneration was decreased to around 22% compare to last financial year.

The average increase in remuneration for non managerial employees is in line with normal pay revision and variable component is forming integral part of the remuneration which is linked to individual performance, employee satisfaction, retention of key employees apart from Company's performance as a whole.

The Profit after tax for the year 2019-20 is INR (35.06) Lacs. The employees related cost is INR 136.79 Lacs.

- 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 TO THE DIRECTORS' REPORT

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, 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	2019 – 20	2018 – 19
1.	Total Foreign Exchange Earned	Nil	Nil
2.	Total Foreign Exchange Outgo	Nil	35,312

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

Date : July 10, 2020

Place : Surat

Viral P Desai
Managing Director
DIN: 00029219

Dr. Pradip K Desai
Non Executive Director
DIN: 00026451

ANNEXURE D TO THE DIRECTORS' 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 required under first proviso to section 188
			Not Applicable				

*During the Financial Year 2019-20, 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 of Directors
Span Divergent Ltd

Date : July 10, 2020
Place: Surat

Viral P Desai
Managing Director
DIN: 00029219

Dr. Pradip K Desai
Non Executive Director
DIN: 00026451

ANNEXURE E TO THE DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN as on financial year ended on March 31, 2020

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:

Sr 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 / LLP	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Span Diagnostics South Africa (Pty) Limited, 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	99%	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 (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Shareholding of Promoter and Promoter Group									
(1) Indian									
a) Individuals / HUF	33,37,559	23,200	33,60,759	61.53	33,96,689	0.00	33,96,689	62.19	0.66
b) Central Govt/ State Govt	-	-	-	0.00	-	-	-	0.00	0.00
c) Financial Institutions / Banks	-	-	-	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)	34,13,599	23,200	34,36,799	62.92	34,72,729	0.00	34,72,729	63.58	0.66
(2) Foreign									
(a) Individuals (Non-Resident Individuals /Foreign Individuals)	40,000	20,000	60,000	1.10	30,000	0.00	30,000	0.55	-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)	40,000	20,000	60,000	1.10	30,000	0.00	30,000	0.55	-0.55
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	34,53,599	43,200	34,96,799	64.02	35,02,729	0.00	35,02,729	64.13	0.11
B. Public Shareholding									
(1) Institutions									
(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 Other (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) / President of India	-	-	-	0.00	-	-	-	0.00	0.00

Sub Total (B)(2)	-	-	-	0.00	-	-	-	0.00	0.00
(3) Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	5,93,161	1,52,504	7,45,465	13.65	6,13,435	1,47,604	7,61,039	13.93	0.28
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2,07,666	10,400	2,18,066	3.99	1,94,841	10,400	2,05,241	3.76	-0.23
(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	69,519	-	69,519	1.27	69,519	-	69,519	1.27	0.00
Hindu Undivided Family	1,82,896	-	1,82,896	3.35	1,88,126	-	1,88,126	3.44	0.09
Non Resident Indians (Non Repat)	5,87,925	-	5,87,925	10.76	5,88,075	-	5,88,075	10.77	0.01
Non Resident Indians (Repat)	51,701	64,000	1,15,701	2.12	51,701	64,000	1,15,701	2.12	0.00
Clearing Member	1,125	-	1,125	0.02	201	-	201	0.00	-0.02
Bodies Corporate	40,751	3,500	44,251	0.81	27,616	3,500	31,116	0.57	-0.24
Sub Total (B)(3)	17,34,544	2,30,404	19,64,948	35.98	17,33,514	2,25,504	19,59,018	35.87	-0.11
Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	17,34,544	2,30,404	19,64,948	35.98	17,33,514	2,25,504	19,59,018	35.87	-0.11
Total (A)+(B)	51,88,143	2,73,604	54,61,747	100.00	52,36,242	2,25,504	54,61,747	100.00	0.00
(C) Non Promoter - Non Public									
(1) Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
Total (A)+(B)+(C)	51,88,143	2,73,604	54,61,747	100.00	52,36,242	2,25,504	54,61,747	100.00	0.00

(ii) Shareholding Pattern of Promoter Group:

Sr No.	Shareholders Name	Shareholding at the beginning of the year – 2019			Shareholding at the end of the year – 2020			% 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	13,06,880	24.92	-	22,07,380	40.42	-	15.51
2	LATABEN P DESAI	8,46,500	15.50	-	0.00	0.00	-	-15.50
3	VIRAL PRADIPKUMAR DESAI	5,67,527	10.39	-	6,88,015	12.60	-	2.21
4	GITA SURESH DESAI	1,14,540	2.10	-	1,14,540	2.10	-	0.00
5	SUJATA V DESAI	1,01,576	1.86	-	1,01,576	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	-	0.00	0.00	-	-0.55
8	SHITAL SARVAJNA KAZI	54,300	0.99	-	200	0.00	-	-0.99
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	59,215	1.08	-	59,215	1.08	-	0.00
13	SHITAL SARVAGNA KAZI	200	0.004	-	0.00	0.00	-	-0.004
14	SPAN FINSTOCK PVT LTD	76,040	1.39	-	76,040	1.39	-	0.00
15	TEJAL VIVEK DESAI	60,000	1.10	-	30,000	0.55	-	-0.55
16	DR UDAYBHAI DHIRUBHAI DESAI (HUF)	89,000	1.63	-	89,000	1.63	-	0.00
17	UDAYBHAI DHIRUBHAI DESAI	29,963	0.55	-	29,963	0.55	-	0.00
	Total	34,96,799	64.02	-	35,02,729	64.13	-	0.11

(iii) Change in Promoter's Shareholding (specify if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding 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	34,96,799	64.02	34,96,799	64.02
Increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	5,930	0.11	5,930	0.11
At the end of the year	35,02,729	64.13	35,02,729	64.13

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2019		Transactions during the year		Cumulative Shareholding at the end of the year – 2020	
		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	13,06,880	24.92	-	-	13,60,880	24.92
	Transfer			December 20, 2019	8,46,500	22,07,380	40.42
	At the end of the year	-	-	-	-	22,07,380	40.42
2	Lataben P Desai	8,46,500	15.50	-	-	8,46,500	15.50
	Transfer	-	-	December 13, 2019	(8,46,500)	0.00	0.00
	At the end of the year	-	-	-	-	0.00	0.00
3	Viral Pradipkumar Desai	5,67,527	10.39	-	-	5,67,527	10.39
	Market Purchase	-	-	August 30, 2019	90,300	6,57,827	12.04
	Market Purchase	-	-	September 06, 2019	30,188	6,88,015	12.60
	At the end of the year	-	-	-	-	6,88,015	12.60
4	Gita Suresh Desai	1,14,540	2.10	-	-	1,14,540	2.10
	At the end of the year	-	-	-	-	1,14,540	2.10
5	Sujata V Desai	1,01,576	1.86	-	-	1,01,576	1.86
	At the end of the year	-	-	-	-	1,01,576	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	-	-	30,258	0.55
	Transfer			August 23, 2019	30,258	0.00	0.00
	At the end of the year	-	-	-	-	0.00	0.00
10	Manjulaben Prakashchandra Desai	59,215	1.08	-	-	59,215	1.08
	At the end of the year	-	-	-	-	59,215	1.08
11	Shital Sarvajna Kazi	54,300	0.99	-	-	54,300	0.99
	Transfer	-	-	November 01, 2019	(54,100)	200	0.003
	At the end of the year	-	-	-	-	200	0.003
12	Udaybhai Dhirubhai Desai	29,963	0.55	-	-	29,963	0.55
	At the end of the year	-	-	-	-	29,963	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	Prakash Dhirubhai Desai	19,000	0.35	-	-	19,000	0.35
	At the end of the year	-	-	-	-	19,000	0.35
16	Tejal Vivek Desai	60,000	1.10	-	-	60,000	1.10
	Transfer	-	-	September 06, 2019	(30,000)	30,000	0.55
	At the end of the year					30,000	0.55
17	Shital Sarvajna Kazi	200	0.00	-	-	200	0.003
	Transfer			October 25, 2019	(200)	0.00	0.00
	At the end of the year					0.00	0.00

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 54,61,747 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.

(iv) Shareholding Pattern of Top Ten Shareholders:

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year -2020	
		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	5,75,333	10.53	-	-	5,75,333	10.53
	At the end of the year	-	-			5,75,333	10.53
2	Sanjay N Mehta (HUF)	1,08,500	1.99	-	-	1,08,500	1.99
	At the end of the year	-	-	-	-	1,08,500	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	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	69,519	1.27	-	-	69,519	1.27
	At the end of the year					69,519	1.27
5	N Sudhir	50,645	0.93			50,645	0.93
	At the end of the year					50,645	0.93
6	Sanjay Natwarlal Mehta	32,000	0.58			32,000	0.58
	Market Purchase	-	-	May 24, 2019	800	32,800	0.59
	At the end of the year					32,800	0.59
7	Dinesh Patel	30,000	0.55			30,000	0.55
	At the end of the year					30,000	0.55
8	Molakala Prasad Reddy [Huf]	27,000	0.49			27,000	0.49
	At the end of the year					27,000	0.49
9	Rajul Rajankumar Desai	16,118	0.30			16,118	0.30
	At the end of the year					16,118	0.30
10	Chopra Narpatkumar	15,324	0.28			15,324	0.28
	At the end of the year					15,328	0.28

- Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 54,61,747 Shares.
2. The details of holding have 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 No.		Shareholding at the beginning of the year 2019		Transactions during the year 2020		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
01	Dr. Pradip K Desai – Director						
	At the beginning of the year	13,06,880	24.92			13,06,880	24.92
	Transfer			December 20, 2019	8,46,500	22,07,380	40.42
	At the end of the year	-	-	-	-	22,07,380	40.42
02	Mr. Viral P Desai – Managing Director						
	At the beginning of the year	5,63,527	10.32			5,63,527	10.32
	Market Purchase	-	-	August 30, 2019	90,300	6,57,827	12.04
	Market Purchase	-	-	September 06, 2019	30,188	6,88,015	12.60
	At the end of the year	-	-	-	-	6,88,015	12.60
03	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
04	Mr. Sanjay Mehta – Director						
	At the beginning of the year	32,000	0.55			32,000	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 24, 2019	800	32,800	0.59
	At the end of the year	-	-			32,800	0.59
05	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
	Following persons are not holding any shares of the company at the beginning of the year and at the end of the year and there is no increase/ decrease in share holding of the company during the year.						
06	Mr. N Gopalaswami – Director	0.00	0.00			0.00	0.00
07	Mr. Shyamal Ghosh – Director	0.00	0.00			0.00	0.00
08	Mr. Kamlesh Patel – Director	0.00	0.00			0.00	0.00
09	Dr. Sushil Shah – Director	0.00	0.00			0.00	0.00
10	Dr. Manjula Subramaniam – Director	0.00	0.00			0.00	0.00
11	Ms. Samiksha Kansara – CS	0.00	0.00			0.00	0.00

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,19,43,404	Nil	Nil	4,19,43,404
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	1,95,126	Nil	Nil	1,95,126
Total (i+ii+iii)	4,21,38,530	Nil	Nil	4,21,38,530
Change in Indebtedness during the financial year including interest.				
Additions	5,73,87,251	1,45,00,000	Nil	7,18,87,251
Reduction	8,94,81,858	Nil	Nil	8,94,81,858
Net Change	(3,20,94,606)	1,45,00,000	Nil	(1,75,94,606)
Indebtedness at the end of the financial year				
i) Principal Amount	99,80,620	1,45,00,000	Nil	2,44,80,620
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	63,304	Nil	Nil	63,304
Total (i+ii+iii)	1,00,43,924	1,45,00,000	Nil	2,45,43,924

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sr No.	Particulars of Remuneration	
1	Gross salary	Mr. Viral P Desai
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	42,52,457
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission	-
	as % of profit	-
	others (specify)	-
5	Others, please specify	-
	Retiral Benefits	5,68,063
	Total (A)	48,20,520
	Ceiling as per the Act	84,00,000

B. Remuneration to other directors:

Sr No.	Particulars of Remuneration	Name of the Directors				Total Amount
		Dr. Sushil Shah	Mr. Shyamal Ghosh	Mr. N Gopalaswami	Mr. Kamlesh Patel	
1	Independent Directors					
	(a) Fee for attending board committee meetings	10,000	40,000	40,000	30,000	1,20,000
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (1)	10,000	40,000	40,000	30,000	1,20,000
2	Other Non Executive Directors					
	(a) Fee for attending board committee meetings	40,000	5,000	10,000	20,000	75,000
	(b) Commission	-	-	-	-	-
	(c) Others please specify.	-	-	-	5,86,862*	5,86,862
	Total (2)	40,000	5,000	10,000	6,06,862	6,61,862
	Total Managerial Remuneration=(1+2)	50,000	45,000	50,000	6,36,862	7,81,862

*Company had obtained shareholders' approval vide special resolution passed at extra ordinary general meeting of the Company held on March 23, 2019 for payment of remuneration not exceeding an amount of INR 2,00,000 (Rupees Two Lacs Only) per month to Dr. Pradip K Desai, the Non-Executive Director of the Company, for a period of three years with effect from April 01, 2019 in addition to the fees for attending the meetings of the Board and its Committees.

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

Sr No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL		
		Company Secretary	CFO	Total
1	Gross Salary	Samiksha Kansara	Paras Desai	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2,58,000	34,16,058	36,74,058
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	Nil
2	Stock Option	0	0	Nil
3	Sweat Equity	0	0	Nil
4	Commission	0	0	Nil
	as % of profit	0	0	Nil
	others, specify	0	0	Nil
5	Others, please specify	0	0	Nil
	Retiral Benefits*	0	3,35,549	3,35,549
	Total	2,58,000	37,51,607	40,09,607

*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 2019-20

**For and on behalf of the Board of Directors
Span Divergent Ltd**

**Date : July 10, 2020
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, 2020 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, 2020, 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.

**Date : July 10, 2020
Place: Vadodara**

**For Mitesh Rana & Co.,
Company Secretaries**

**Mitesh Rana
Proprietor
ACS M. No.: 28113
COP: 12364
UDIN: A028113B000438226**

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Business objective of Span Divergent Limited (Span), its management and its employees is to ensure that Company does business 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

(i). As on March 31, 2020, 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.

(ii). 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 listed companies in which he/she acts as a Director. Necessary disclosures regarding committee positions in other listed public companies as on March 31, 2020 have been made by directors.

(iii). 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 2019-20 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, 2020

Director	No. of Board Meetings attended	Attendance at last AGM	No. of outside Director ship held	Number of Memberships / Chairmanship in Audit / Stakeholder Committee(s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)		Executive, Non-Executive / Independent	Number of Shares held
				Chairman ship	Member ship		
Mr. N Gopalaswami	4	Yes	Nil	Nil	1	Independent Non-Executive Director	Nil
Dr. Pradip K Desai	4	Yes	4	Nil	1	Promoter & Non Executive Director	22,07,380
Mr. Viral P Desai	4	Yes	4	Nil	Nil	Promoter & Executive Director	6,88,015
Mr. Sanjay N Mehta	4	Yes	5	1	5	Non-Executive Director	32,800
Dr. Pranav S Desai	1	Yes	1	Nil	1	Promoter & Non-Executive Director	28,040
Dr. Sushil K Shah	2	No	4	Nil	1	Independent Non-Executive Director	Nil
Mr. Shyamal Ghosh	4	Yes	Nil	1	1	Independent Non-Executive Director	Nil
Mr. Kamlesh M Patel	3	Yes	1	1	2	Independent Non-Executive Director	Nil
Dr. Manjula Subramaniam	2	No	2	Nil	Nil	Independent Non-Executive Director	Nil

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.

3. Mr. Viral P Desai and Dr. Pradip K Desai are relatives in terms of Section 2(77) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014.

Directorship in Listed Companies as on March 31, 2020:

Sr. No.	Name of Director	Name of Listed Company	Category of Directorship
1	Mr. N Gopalaswami	Span Divergent Limited	Independent Non-Executive Director
2	Dr. Pradip K Desai	Span Divergent Limited	Non Independent Non Executive Director
3	Mr. Viral P Desai	Span Divergent Limited	Non Independent Executive Director
4	Mr. Sanjay N Mehta	Span Divergent Limited	Non-Executive Director
		Neogen Chemicals Limited	Independent Non-Executive Director
		Meera Industries Limited	Independent Non-Executive Director
5	Dr. Pranav S Desai	Span Divergent Limited	Non Independent Non-Executive Director
6	Dr. Sushil K Shah	Span Divergent Limited	Independent Non-Executive Director
		Metropolis Healthcare Limited	Non Independent Executive Director
7	Mr. Shyamal Ghosh	Span Divergent Limited	Independent Non-Executive Director
8	Mr. Kamlesh M Patel	Span Divergent Limited	Independent Non-Executive Director
9	Dr. Manjula Subramaniam	Span Divergent Limited	Independent Non-Executive Director

Details of Board Meetings held during the year are as under:

Date	Board Strength	No. of Directors present
May 17, 2019	9	7
August 10, 2019	9	7
November 09, 2019	9	6
February 14, 2020	9	8

Matrix highlighting core skills/expertise/competencies of the Board of Directors:

The Board of Directors' have identified the following skills required for the Company and the availability of such skills with the Board:

Sr. No.	Name of Director	Skills/Expertise/Competencies						
		Knowledge & Experience	Management/Administration /Leadership	Personal Values	Corporate Governance	Understanding of Finance & Accounting	Vision and Strategic Planning	Information Technology
1	Mr. N Gopaldaswami	√	√	√	√	√	√	√
2	Dr. Pradip K Desai	√	√	√	√	√	√	√
3	Mr. Viral P Desai	√	√	√	√	√	√	√
4	Mr. Sanjay N Mehta	√	√	√	√	√	√	√
5	Dr. Pranav S Desai	√	√	√	√	√	√	√
6	Dr. Sushil K Shah	√	√	√	√	√	√	√
7	Mr. Shyamal Ghosh	√	√	√	√	√	√	√
8	Mr. Kamlesh M Patel	√	√	√	√	√	√	√
9	Dr. Manjula Subramaniam	√	√	√	√	√	√	√

Above skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills / experience listed therein. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

We confirm that in the opinion of the board, the independent directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. None of the Director of the Company had resigned during the year before the expiry of his tenure.

FAMILIARIZATION PROGRAMMES

The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programmes / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

Such programmes /presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time. The programmes/presentations also familiarise the Independent Directors with their roles, rights and responsibilities.

When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairperson, Managing Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities. Weblink for details of familiarization programmes is <http://span.in/shareholder-corner/miscellaneous-shareholders-information>.

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 Director including overall performance of the Board as whole at the meeting of Independent Directors held during the year under review and by Board as whole.

VARIOUS COMMITTEES, ITS COMPOSITION, MEETINGS HELD AND ATTENDEES RELATED INFORMATION:

Name	Designation	Audit Committee meeting			Nomination and Remuneration Committee meeting			Stack holder relationship committee meeting		
		Meeting Dates: May 17, 2019, August 10, 2019, November 09, 2019, February 14, 2020			Meeting Dates: May 17, 2019			Meeting Dates: May 17, 2019, August 10, 2019, November 09, 2019, February 14, 2020		
		Member	No. of meetings held	No. of meetings attended	Member	No. of meetings held	No. of meetings attended	Member	No. of meetings held	No. of meetings attended
Mr. Shyamal Ghosh	Independent Non-Executive Director	Chairman	4	4	Chairman	1	1	No	-	-
Mr. N Gopaldaswami	Independent & Non-Executive Director	Yes	4	4	Yes	1	1	No	-	-
Mr. Sanjay Mehta	Non-Executive Director	Yes	4	4	Yes	1	1	Yes	4	4
Mr. Kamlesh Patel	Independent Non Executive Director	Yes	4	3	No	-	-	Chairman	4	3
Dr. Pradip Desai	Non-Executive Director	No	-	-	No	-	-	Yes	4	4
Dr. Pranav Desai	Non Executive Director	No	-	-	No	-	-	Yes	4	1

AUDIT COMMITTEE

The Audit Committee was reconstituted on May 23, 2014 in terms of enlightened provisions of the Companies Act, 2013. Ms. Samiksha Kansara, Company Secretary acts as the secretary to the Audit Committee.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 read with Part C of Schedule II of SEBI (as Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations, 2015). Apart from the above, the Committee also carries out such functions/responsibilities entrusted on it by the Board of Directors from time to time.

The brief description of the Powers of Audit Committee is as under:

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.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was reconstituted on May 23, 2014.

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 the Committee is in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 read with the rules made thereunder and Regulation 19 read with Part D of Schedule II of SEBI (as Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations, 2015).

Details of remuneration paid to all Directors 2019 – 2020:

Name of the Director	Sitting Fee	Salary, Allowances & Perquisites	Contribution to Provident Fund and other funds & Retrial Benefits	Commission	Total
Mr.Sanjay Natwarlal Mehta	40,000	Nil	Nil	Nil	40,000
Dr.Pradipkumar Keshavlal Desai	20,000	5,86,862	Nil	Nil	6,06,862
Dr. Manjula Subramaniam	10,000	Nil	Nil	Nil	10,000
Dr.Pranav Sureshbhai Desai	5,000	Nil	Nil	Nil	5,000
Mr.Viral Pradipkumar Desai	Nil	42,52,457	5,68,063	Nil	48,20,520
Dr.Sushil Kanubhai Shah	10,000	Nil	Nil	Nil	10,000
Mr.Shyamal Ghosh	40,000	Nil	Nil	Nil	40,000
Mr.Kamlesh Maganlal Patel	30,000	Nil	Nil	Nil	30,000
Mr.Needamangalam Gopalaswami	40,000	Nil	Nil	Nil	40,000

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 taxes) 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:

- i. 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.
- ii. Formulation of criteria for evaluation of Independent Director and the Board
- iii. Devising a policy on Board diversity.
- iv. 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.
- v. 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 through 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;
 - (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 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

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI Listing Regulations, 2015. Ms. Samiksha Kansara, Company Secretary of the Company is the Compliance Officer.

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 etc through Registrar and Transfer Agent and Company.

There were three complaints received from shareholders / investors during the year 2019-20 and were solved to the satisfaction of the complainants and no investor complaint was pending at the beginning or at the end of the year.

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

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

Year	Venue	Date	Time	Special Resolution passed
2018 – 19	Hall at 1 st Floor, Samrudhdhi Building, Makkai Pool, Nanpura, Surat – 395 001	September 27, 2019	11:00 a.m.	- Regularization of Additional Director, Dr. Manjula Subramaniam and appointment as an Independent Non-executive Director - Re-appointment of Mr. Kamlesh M Patel (DIN: 01521972) as an Independent Non-executive Director - Re-appointment of Mr. Needamangalam Gopalaswami (DIN: 02779229) as an Independent Non-executive Director - Re-appointment of Mr. Shyamal Ghosh (DIN: 00267341) as an Independent Non-executive Director - Re-appointment of Dr. Sushil K Shah (DIN: 00179918) as an Independent Non-executive Director - Re-appointment of Mr. Viral Pradipkumar Desai (DIN: 00029219) as a Managing Director of the Company
2017 – 18	Hall at 1 st Floor, Samrudhdhi, Annexi, 4 th 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.	-

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 2019 - 20, 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. Policy on dealing with related party transaction as well as Policy for determining material subsidiaries is provided at <http://span.in/shareholder-corner/miscellaneous-shareholders-information>. 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.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 2019 – 20.

Viral P Desai**Managing Director****DIN 00029219**

There is no interest relationship between the directors of the Company except Mr. Viral P Desai, Dr. Pradip 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, Newspaper in which published, Website etc.**

The quarterly and annual results are generally published in edition of the Financial Express, Ahmedabad and Dhabkar, Surat and they are also posted on company's website. 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 and Mode	Monday, September 28, 2020 at 11:30 AM through VC / OAVM
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(b) Financial Calendar

Financial Year: April 1 to March 31

For the financial year 2019 – 20, the results were announced as per the following details:

1 st Quarter ended on June 30, 2019	On August 10, 2019
2 nd Quarter ended on September 30, 2019	On November 09, 2019
3 rd Quarter ended on December 31, 2019	On February 14, 2020
Audited Financial Result for the year ended on March 31, 2020	On July 10, 2020*

*Audited Financial Results for the year ended on March 31, 2020 were announced as per the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020 wherein timeline for submission of financial results under regulation 33 of LODR Regulations has been extended till July 31, 2020 due to impact of CoViD-19 pandemic.

For the financial year 2020 – 21, financial results will be announced as per the following tentative schedule:

1st Quarter ended on June 30, 2020	Second week of August, 2020
2 nd Quarter ended on September 30, 2020	First week of November, 2020
3 rd Quarter ended on December 31, 2020	First week of February, 2021
Audited Financial Result for the year ended on March 31, 2021	Last week of May, 2021

(c) Date of Book Closure

The Company's Register of Member's & Share Transfer Book will remain closed from September 22, 2020 to September 28, 2020 (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). ISIN of the Company is INE004E0106. Company's CIN is L74999GJ1980PLC003710.

(e) Market Price Data

High / Low in each month of year 2019 - 20 on the Bombay Stock Exchange Limited, Mumbai.

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April	31.40	26.85	October	17.65	11.75
May	28.35	21.30	November	15.04	12.39
June	20.40	16.40	December	15.41	11.94
July	26.00	18.70	January	12.00	9.26
August	27.95	24.70	February	10.71	9.26
September	23.65	17.15	March	13.92	9.95

(f) Performance in Comparison to BSE Sensex

Month & Year	Closing Sensex	% Change	Closing Price of Company's share	% change
April 2019	39031.55	0.93	27.00	(3.40)
May 2019	39714.20	1.75	21.30	(21.11)
June 2019	39394.64	(0.80)	18.70	(12.21)
July 2019	27481.12	(4.86)	26.00	39.40
August 2019	37332.79	(0.40)	24.85	(4.42)
September 2019	38667.33	3.57	17.15	(30.99)
October 2019	40129.05	3.78	11.80	(31.20)
November 2019	40793.81	1.66	14.00	18.64
December 2019	41253.74	1.13	11.94	(14.71)
January 2020	40723.49	(1.29)	9.26	(22.45)
February 2020	38297.29	(5.96)	9.98	7.78
March 2020	29468.49	(23.05)	13.23	32.57

(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.:+912249186000,Fax:+912249186060, Email: rnt.helpdesk@linkintime.co.in, Website: www.linkintime.co.in

Shareholders' requests for transfer / transmission of equity shares and other related matters are handled by Registrar and Transfer Agent and are effected within stipulated timelines, if all the documents are valid and in order. Pursuant to the provisions of Regulation 40 of the SEBI Listing Regulations, 2015, securities can be transferred only in dematerialised form w.e.f. 1 April 2019. Members are requested to convert their physical holdings into demat form. Other valid requests are also resolved by Registrar and Transfer Agent in co-ordination with company and status of complaints are placed before the Stakeholders Relationship Committee. The minutes of the Stakeholders Relationship Committee is placed before the Board for information.

The Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issue of share certificates for transfer, subdivision, consolidation etc., and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of SEBI Listing Regulations, 2015. Further, the Compliance Certificate under Regulation 7(3) of the SEBI Listing Regulations, 2015 confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on a half yearly basis.

(h) Categories of Shareholding and Dematerialisation of Shares as on March 31, 2020

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	0	35,02,729	35,02,729	64.13
Foreign Institutional investors	-	-	-	-
Public financial institutions	-	-	-	-
Mutual funds	-	-	-	-
Nationalized banks and other banks	-	-	-	-
NRI's and OCB's	64,000	6,39,776	7,03,776	12.89
Others (includes holding of Corporate Bodies)	1,61,504	10,93,738	12,55,242	22.98
TOTAL	22,55,04	52,36,243	54,61,747	100.00
Percentage	4.13	95.87	100.00	100.00

(i) Distribution of Share Holding as on March 31, 2020

No. of Shares	Number of shareholders	Percentage of Total	Number of shares	Percentage of total shares
1 to 500	1,948	85.29	3,23,321	5.92
501 to 1000	155	6.79	1,26,283	2.31
1001 to 2000	76	3.33	1,20,960	2.21
2001 to 3000	27	1.18	68,824	1.26
3001 to 4000	17	0.74	62,253	1.14

4001 to 5000	12	0.53	58,234	1.07
5001 to 10000	18	0.79	1,38,430	2.53
10001 and above	31	1.36	45,63,442	83.55
Total	2,284	100.00	54,61,747	100.00

(j) Dematerialization of Shares:

The Company's shares are available for dematerialization/re-materialization with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Requests for the same are processed within prescribed time limit, if all the documents are valid and in order. As on March 31, 2020, out of the total 54,61,747 equity shares, 52,36,243 equity shares representing 95.87% of the total paid up share capital were held in dematerialised form with NSDL and CDSL.

(k) 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, 2020.

(l) Plant Location: Not Applicable

(m) Registered Office & Address for correspondence:

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

Email: secretarial@span.co.in **Website:** www.span.in

(n) Certificate from Practicing Company Secretary:

A certificate from M/s. Mitesh Rana & Co., Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority is forming part of Annual Report.

(o) Total fees paid to M/s. Haribhakti & Co, LLP, Statutory Auditors:

Total fees (excluding taxes) for all services paid by the Company and its subsidiaries in India, on a consolidated basis, to M/s. Haribhakti & Co. LLP, Statutory Auditors within the network firm/network entity of which the statutory auditor is a part, is INR 11,65,000.

(p) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

A	Number of complaints filed during the financial year	Nil
B	Number of complaints disposed off during the financial year	Nil
C	Number of complaints pending as on end of the financial year	Nil

(q) Information flow to the Board Members:

As required under Regulation 17(7), Part A of Schedule II of SEBI Listing Regulations, 2015, information is provided to the Board members for their information, review, inputs and approval from time to time.

(r) Code of Conduct for Prevention of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 including amendments thereof, the Company has adopted a comprehensive Code of Conduct for Prohibition of Insider Trading and procedures for fair disclosure of Unpublished Price Sensitive Information.

Date : July 10, 2020

Place: Surat

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

**Viral P Desai
Managing Director
DIN: 00029219**

**Dr. Pradip K Desai
Non Executive Director
DIN: 00026451**

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.

Date : July 10, 2020

Place: Vadodara

**For Mitesh Rana & Co.,
Company Secretaries**

**Mitesh Rana
Proprietor
ACS M. No.: 28113
COP No.: 12364
UDIN: A028113B000438215**

ANNEXURE F TO THE DIRECTOR'S REPORT

Form No. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

[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
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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the Spread of the COVID – 19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2020, according to the provisions of:

- i.** The Companies Act, 2013 (**the Act**), and the Rules made there under;
- 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 there under including amendments and enactment thereof
- 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, 2018 (**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 read with 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 at least seven days in advance for meetings other than those held at shorter notice, 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, no events occurred which had bearing on Company's affairs in pursuance of above referred laws, rules, regulations, standards etc.

**For Mitesh Rana & Co.,
Company Secretaries**

**Date : July 10, 2020
Place: Vadodara**

**Mitesh Rana
Proprietor
ACS M. No.: 28113
COP: 12364
UDIN: A028113B000438204**

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 is 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 : July 10, 2020

Place: Vadodara

**For Mitesh Rana & Co.,
Company Secretaries**

**Mitesh Rana
Proprietor
ACS M. No.: 28113
COP: 12364
UDIN: A028113B000438204**

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, 2020, 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") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, 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 on the standalone Ind AS financial statements.

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 year. 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 matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How was the matter addressed in our audit
<p><u>Assessment of impairment of carrying value of investments in subsidiaries and other investments</u></p> <p>The Company has investments of Rs. 2,995.15 Lacs (after Impairment losses on Investments) in LLP Subsidiaries as partners' Capital by way of fixed as well as fluctuating capital.</p> <p>The Management has assessed the impairment of investments in its subsidiaries by reviewing the business forecasts of subsidiaries and noted that except One LLP Subsidiary i.e. Aranya Agri Biotech LLP, no provision for impairment is required to be made in respect of these investments as they are considered good.</p> <p>We considered this as a key audit matter due to significant judgment involved in estimating future cash flows prepared by the Management to support the carrying value of above investments.</p>	<p>Our procedures included, amongst others, the following :</p> <ul style="list-style-type: none"> • Understanding and evaluating the design and testing the operating effectiveness of the Company's controls over review of impairment assessment of investments in subsidiaries; • In respect of impairment assessment of investments in subsidiaries: <ol style="list-style-type: none"> (i) Assessing 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) Testing 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) Comparing 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) Understanding of the operating parameters used in the model and assessing consistency of our understanding of parameters with those considered in the model; (vii) Performing 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. • Considered the results of the aforesaid procedures in evaluating the recoverability of investment in subsidiaries. Based on the above procedures performed, we noted that the Management's assessment of impairment of investments in subsidiaries is reasonable and In case of subsidiary Aranya Agri Biotech LLP as at March 31, 2020, the LLP had accumulated losses of Rs. 649.11 Lacs during the preceding years and Rs. 425.04 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. 71.22 Lacs provided in the books of the company and treated as an exceptional item during the year.

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 prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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.

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 year 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 Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

- e. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, refer to our separate report in “Annexure 2”;
- g. With respect to the other matter 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 remuneration 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 standalone Ind AS financial statements – Refer Note 19 on Contingent Liabilities to the standalone 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

UDIN: 20036834AAAABP3294

Date : July 10,2020

Place: Ahmedabad

ANNEXURE 1 TO THE INDEPENDENT AUDITOR’S REPORT

[Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section 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 31,2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification 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, clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion, 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. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (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.
- (viii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees’ state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases.

AND

No undisputed amounts payable in respect of provident fund, employees’ state insurance, income tax, GST, 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, GST, customs duty, excise duty which have not been deposited on account of any dispute.
- (ix) According to the information and explanations given to us during the year, the Company has not defaulted in repayment of loans or borrowings to bank.
- (x) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable to the Company.
- (xi) 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.

- (xii) 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.
- (xiii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.
- (xiv) 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 as required by the applicable accounting standards.
- (xv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.
- (xvi) 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 them during the year and hence provisions of section 192 of the Act are not applicable.
- (xvii) 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

UDIN: 20036834AAAABP3294

Date : July 10,2020

Place: Ahmedabad

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our 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, 2020]

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, 2020 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, 2020, 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

UDIN: 20036834AAAABP3294

Date : July 10,2020

Place: Ahmedabad

SPAN DIVERGENT LIMITED

(Formerly Span Diagnostics Limited)

Balance sheet as at March 31, 2020

	Notes	March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,34,04,726	7,14,77,249
Right-of-use-assets		45,15,437	-
Investment properties	4	67,82,621	95,57,156
Intangible assets	5	5,44,954	6,39,921
Intangible assets under development	5	1,75,704	1,30,244
Financial assets			
i. Investments	6(a)(i)	29,95,14,889	23,42,66,520
ii. Others	6(e)	32,00,000	-
Total non-current assets		35,81,38,331	31,60,71,090
Current assets			
Financial assets			
i. Investments	6(a)(ii)	10,07,30,927	16,36,16,059
ii. Trade receivables	6(b)	23,00,418	24,14,352
iii. Cash and cash equivalents	6(c)(i)	3,15,927	43,98,560
iv. Bank balances other than (iii) above	6(c)(ii)	83,650	81,007
v. Loans	6(c)		-
v. Others	6(d)	33,64,437	18,21,580
Current tax Assets (Net)		34,91,938	28,68,358
Other current assets	7	29,42,780	47,15,792
Assets classified as held for sale		2,26,96,070	
Total current assets		13,59,26,147	17,99,15,708
Total assets		49,40,64,478	49,59,86,798
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8(a)	5,46,17,470	5,46,17,470
Other equity	8(b)	38,25,98,300	38,62,55,751
		43,72,15,770	44,08,73,221
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	9(a)	1,48,72,308	6,68,746
ii. Lease Liabilities		37,92,343	
Provisions	10	25,74,901	24,41,606
Deferred tax liabilities (Net)	11	32,77,685	47,16,768
Total non-current liabilities		2,45,17,237	78,27,120
Current liabilities			
Financial liabilities			
i. Borrowings	9(a)	93,06,597	4,09,98,627
ii. Lease Liabilities		7,15,734	-
ii. Trade payables	9(c)	12,69,439	9,16,720
iii. Other financial liabilities	9(b)	68,11,716	27,51,373
Other current liabilities	12	1,17,80,658	5,12,400
Provisions	10	24,47,327	21,07,337
Total current liabilities		3,23,31,471	4,72,86,457
Total liabilities		5,68,48,708	5,51,13,577
Total equity and liabilities		49,40,64,478	49,59,86,798
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

Hemant J Bhatt

Partner

Membership No: 036834

Date : July 10, 2020

Place: Ahmedabad

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

Viral P Desai
Managing Director
DIN : 00029219

Paras Desai
CFO
Date : July 10, 2020
Place: Surat

Dr. Pradip K Desai
Director
DIN : 00026451

Samiksha Kansara
Company Secretary

SPAN DIVERGENT LIMITED

(Formerly Span Diagnostics Limited)

Statement of profit and loss for the year ended March 31, 2020

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Continuing operations			
Revenue from operations	13(a)	1,70,88,232	1,72,84,536
Other income	13(b)	1,48,68,933	1,23,39,432
Total income		3,19,57,165	2,96,23,968
Expenses			
Employee benefit expense	14	1,36,79,166	1,71,35,728
Finance costs	15	23,14,047	17,25,733
Depreciation and amortisation expense	16	91,58,892	1,12,34,771
Donation		-	43,00,000
Other expenses	17	63,74,816	82,66,377
Total expenses		3,15,26,920	4,26,62,609
Profit before exceptional items and tax		4,30,245	(1,30,38,641)
Exceptional items	28	(53,56,834)	(1,83,10,183)
Profit/(Loss) before tax		(49,26,589)	(3,13,48,824)
Tax expense	18		
- Current tax		-	-
- Deferred tax		(14,20,648)	10,72,662
Profit/(Loss) for the period from continuing operations		(35,05,941)	(3,24,21,486)
Other comprehensive income			
Remeasurement costs of post employment benefits		(66,266)	(7,97,894)
Deferred tax on post employment		18,435	2,220
Other comprehensive income for the year, net of tax		(47,831)	(7,95,674)
Total comprehensive income for the year		(35,53,772)	(3,32,17,160)
Earnings per equity share for profit from operation attributable to owners of the entity:			
Basic earnings per share	21	(0.64)	(5.94)
Diluted earnings per share	21	(0.64)	(5.94)
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

Hemant J Bhatt

Partner

Membership No: 036834

Date : July 10, 2020

Place: Ahmedabad

For and on behalf of the Board of Directors

Span Divergent Limited

Viral P Desai

Managing Director

DIN : 00029219

Paras Desai

CFO

Date : July 10, 2020

Place: Surat

Dr. Pradip K Desai

Director

DIN : 00026451

Samiksha Kansara

Company Secretary

SPAN DIVERGENT LIMITED
(Formerly Span Diagnostics Limited)
Statement of cash flows for the year ended March 31,2020

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before income tax	(49,26,589)	(3,13,48,824)
Adjustments for		
Depreciation and amortisation expense	91,58,892	1,12,34,771
Un realised Gain on Investments	(82,027)	-
Dividend and interest income classified as investing cash flows	-	-
Rental Income	(44,14,399)	(29,02,829)
Interest Income	(69,911)	(32,17,284)
Gain on Sale of Investments	(88,52,597)	(21,00,093)
Finance Cost	23,14,047	17,25,733
Financial Guarantee Fees Income	(14,50,000)	(14,50,000)
Balances Written Back	-	(26,67,985)
Impairment Provision for LLP Subsidiaries	53,56,834	1,83,10,183
Rental Expense	-	-
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	1,13,934	4,58,153
Increase in trade payables	(23,15,266)	32,79,563
(Increase) in other financial assets	(15,42,857)	14,83,104
(Increase)/decrease in other non-current assets	-	-
(Increase)/decrease in other current assets	17,73,012	6,31,574
Increase/(decrease) in provisions	12,21,128	(36,72,021)
Increase/(decrease) in other financial liabilities	40,60,343	(5,10,883)
Increase in other current liabilities	1,12,68,257	(13,07,522)
Cash generated from operations	1,16,12,802	(1,20,54,359)
Income taxes paid	6,23,580	(11,12,607)
Net cash inflow from operating activities	1,09,89,222	(1,09,41,752)
Cash flows from investing activities		
(Purchase)/redemption of investments	(78,22,585)	5,39,70,970
Proceeds from sale of investments	88,52,597	21,00,093
Investment in Fixed Deposits for more than one year	(32,00,000)	-
Purchase of property, plant and equipment	9,58,397	2,57,296
Proceeds from sale of property, plant and equipment	-	-
Dividends received	-	-
Rental Income	44,14,399	29,02,829
Interest received	14,56,626	46,67,284
Net cash outflow from investing activities	46,59,434	6,38,98,471
Cash flows from financing activities		
Proceeds/Repayment from borrowings	(1,74,88,467)	(5,62,91,423)
Payment towards unclaimed dividend	2,643	(1,51,544)
Interest paid	(22,45,466)	(17,25,733)
Net cash inflow (outflow) from financing activities	(1,97,31,290)	(5,81,68,701)
Net increase (decrease) in cash and cash equivalents	(40,82,634)	(52,11,981)
Cash and cash equivalents at the beginning of the financial year	43,98,560	96,10,541
Cash and cash equivalents at end of the year	3,15,926	43,98,560
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, 2020	Year ended March 31, 2019
Balances with banks		
- in current accounts	3,10,898	43,97,933
Cash on hand	5,028	626
Balances per statement of cash flows	3,15,926	43,98,559
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

Hemant J Bhatt

Partner

Membership No: 036834

Date : July 10, 2020

Place: Ahmedabad

For and on behalf of the Board of Directors

Span Divergent Limited

Viral P Desai
Managing Director
DIN : 00029219

Paras Desai
CFO
Date : July 10, 2020
Place: Surat

Dr. Pradip K Desai
Director
DIN : 00026451

Samiksha Kansara
Company Secretary

SPAN DIVERGENT LIMITED
(Formerly Span Diagnostics Limited)

Statement of changes in equity for the year ended March 31, 2020

a. Equity share capital

	Notes	Amount
Issue of Share Capital	10	-
As at March 31, 2019	10	5,46,17,470
Issue of Share Capital	10	-
As at March 31, 2020	10	5,46,17,470

b. Other Equity

	Reserves and Surplus		
	Capital Redemption Reserve	Capital Reserve	Retained Earnings
Opening Balance as on April 1, 2018	1,81,42,530	42,05,775	39,71,24,606
Add: Loss for the year	-	-	(3,24,21,486)
Total Comprehensive Income for the year	-	-	(7,95,674)
Balance as on March 31, 2019	1,81,42,530	42,05,775	36,39,07,446
Add: Loss for the year	-	-	(35,05,941)
Total Comprehensive Income for the year	-	-	(47,831)
Balance as on March 31, 2020	1,81,42,530	42,05,775	36,03,53,674

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

Date : July 10, 2020

Place: Ahmedabad

Paras Desai

CFO

Date : July 10, 2020

Place: Surat

Samiksha Kansara

Company Secretary

SPAN DIVERGENT LIMITED

Notes to financial statements for the year ended March 31, 2020

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

1 Corporate information

Span Divergent Limited is Public 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 invested in various business through its subsidiary Companies forming various special purpose vehicles LLPs and a joint venture Company.

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 recognise 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 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 Companies main activity to invest in various subsidiaries. Hence, no such separate segment to be disclosed in the notes.

(o) Leases

The Company has implemented the Ind AS 116 "Leases" as notified by Ministry of Corporate Affairs on 30th March 2019 through the Companies (Indian Accounting Standard) Amendment Rules, 2019.

The Company has applied the standard w.e.f. accounting period commenced on or after April 1, 2019 to its Leases using the modified retrospective approach, therefore previous period comparative figures are not adjusted in the financial statements. This has resulted in recognising a lease liability measured at present value of the remaining lease payments and a corresponding Right-of-Use (ROU) asset as if the lease has been commenced w.e.f. 1st April 2019. The Company discounted remaining lease payments using the lessee's incremental borrowing rate as at 1st April 2019. The Company has also elected not to apply the requirements of Ind AS 116 to short term leases and leases for which underlying asset is of low value. In the results for the current period, the nature of expenses in respect of Operating lease has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. The rights of use assets are depreciated on a straight line basis over a lease term. The net impact of this adoption is not material on the earnings per share. The other amendments encompass various guidance and clarifications which affect disclosures.

In connection with the transition to the new standard, management has applied judgement and formed assumptions in relation to assessing the incremental borrowing rate, service components and extension options of leasing arrangements. Management has formed its judgements and assumptions based on historical experience, internal and external available information and data.

A contract or parts of contracts that conveys the right to control the use of an identified asset for a period of time in exchange for payments to be made to the owners (lessors) are accounted for as leases. Contracts are assessed to determine whether a contract is, or contains, a lease at the inception of a contract or when the terms and conditions of a contract are significantly changed.

Where the Company is the lessee in a lease arrangement at inception, the lease contracts are recognized as rights-of use assets and lease liabilities are measured at present value of lease payments at initial recognition except for short-term leases and leases of low value. The rights of use assets are depreciated on a straight line basis over a lease term. Lease payments are discounted using the interest rate implicit in the lease. If that rate is not readily available, the incremental borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Payments associated with short-term leases and leases of low-value assets are recognised as an expense in profit & loss Account.

Where the Company is the lessor in a lease arrangement at inception, the lease arrangement will be classified as a finance lease or an operating lease. Classification is based on the extent to which the risks and rewards incidental to ownership of the underlying asset lie with the lessor or the lessee. Under operating lease, where the Company is the lessor, the assets are included in the balance sheet and, where applicable, are depreciated in accordance with the Company's depreciation policies as set out in Note 3 Property, plant and equipment. Revenue arising from assets leased out under operating leases is recognised on overtime 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, 2020	March 31, 2019
Carrying amount of:		
Freehold land*	1,05,82,654	3,32,78,724
Computers	39,552	78,762
Office equipment	3,58,640	6,41,391
Buildings & Roads	2,35,70,745	2,47,76,634
Vehicles	15,82,146	23,00,187
Electrical Installment	3,48,713	4,70,418
Leasehold Improvements	-	5,92,131
Furniture and fixtures	15,46,220	20,85,776
Compound Wall	53,76,057	72,53,226
Total Tangible assets	4,34,04,726	7,14,77,249

Note 3.1: Property, plant and equipment

Description of Assets	Freehold land	Computers	Office equipment	Buildings & Roads	Vehicles	Electrical Installment	Leasehold Improvements	Furniture and fixtures	Compound Wall	Total
At Cost										
Opening Balance	3,32,78,724	9,26,634	27,91,632	2,72,09,411	63,46,529	9,98,059	26,87,240	40,68,823	1,02,13,107	8,85,20,159
Additions	-	-	-	-	-	2,410	-	-	-	2,410
Deletions	-	2,37,939	-	-	-	-	-	-	-	2,37,939
March 31, 2019	3,32,78,724	6,88,695	27,91,632	2,72,09,411	63,46,529	10,00,469	26,87,240	40,68,823	1,02,13,107	8,82,84,630
Additions	-	-	9,152	-	-	-	-	-	-	9,152
Deletions	-	-	-	-	-	-	-	-	-	-
March 31, 2020	3,32,78,724	6,88,695	28,00,784	2,72,09,411	63,46,529	10,00,469	26,87,240	40,68,823	1,02,13,107	8,82,93,783
Depreciation										
Opening Balance	-	6,54,874	16,25,967	11,65,195	30,02,429	3,65,869	14,50,930	12,55,213	4,27,257	99,47,733
Charge for the year	-	1,42,080	5,24,274	12,67,582	10,43,913	1,64,181	6,44,179	7,27,834	25,32,624	70,46,667
Deletions	-	1,87,020	-	-	-	-	-	-	-	1,87,020
March 31, 2019	-	6,09,933	21,50,241	24,32,777	40,46,342	5,30,050	20,95,109	19,83,047	29,59,881	1,68,07,380
Net Block Opening Balance	3,32,78,724	2,71,760	11,65,665	2,60,44,216	33,44,100	6,32,189	12,36,311	28,13,610	97,85,850	7,85,72,426
March 31, 2019	3,32,78,724	78,762	6,41,391	2,47,76,634	23,00,187	4,70,418	5,92,131	20,85,776	72,53,226	7,14,77,249
Charge for the year	-	39,210	2,91,904	12,05,889	7,18,042	1,21,705	5,92,132	5,39,556	18,77,169	53,85,606
Asset shown held for sale	2,26,96,070	-	-	-	-	-	-	-	-	2,26,96,070
Deletions	-	-	-	-	-	-	-	-	-	-
March 31, 2020	2,26,96,070	6,49,143	24,42,144	36,38,666	47,64,383	6,51,755	26,87,241	25,22,603	48,37,050	4,48,89,056
Net Block	1,05,82,654	39,552	3,58,640	2,35,70,745	15,82,146	3,48,713	-	15,46,220	53,76,057	4,34,04,726

* Land of amount Rs. 1,72,18,724 has been pledged as security for borrowings.

Note 4: Investment properties

	March 31, 2020	March 31, 2019
Carrying amount		
Opening carrying amount / Deemed cost	1,36,50,815	1,36,50,815
Addition during the year	-	-
Closing carrying amount	1,36,50,815	1,36,50,815
Accumulated depreciation		
Opening accumulated depreciation	40,93,659	-
Depreciation charge	27,74,535	40,93,659
Closing accumulated depreciation	68,68,194	40,93,659
Net carrying amount	67,82,621	95,57,156

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

	March 31, 2020	March 31, 2019
Rental income	3,60,000	2,02,829
Direct operating expenses from property that generated rental income	89,950	65,893
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties	2,70,050	1,36,936

(ii) Fair value

	March 31, 2020	March 31, 2019
Investment properties	1,36,50,815	1,36,50,815

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, 2020	March 31, 2019
Carrying amount of:		
Software	28,149	46,365
Trademark	5,16,804	5,93,556
Intangible assets under development	1,75,704	1,30,244
Total Intangible assets	7,20,658	7,70,165

Note 5.1 Intangible Assets

Description of Assets	Software	Trademark
At Cost		
Opening Balance	1,64,377	5,69,657
Additions	-	1,79,637
Deletions	-	-
March 31, 2019	1,64,377	7,49,294
Additions	-	-
Deletions	-	-
March 31, 2020	1,64,377	7,49,294
Depreciation		
Opening Balance	88,009	87,221
Charge for the year	30,003	68,517
Deletions	-	-
March 31, 2019	1,18,012	1,55,738
Charge for the year	18,216	76,751
Deletions	-	-
March 31, 2020	1,36,228	2,32,490

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

	March 31, 2020	March 31, 2019
Investment in Subsidiaries		
Investment in LLPs		
Aranya Agri Biotech LLP		
-Fixed Capital	99,000	99,000
-Fluctuating Capital	11,10,37,970	6,66,02,088
	11,11,36,970	6,67,01,088
Less: Impairment Loss on Permanent Diminution of the Investment	70,94,716	
	10,40,42,254	6,67,01,088
Biospan Scientific LLP		
-Fixed Capital	99,000	99,000
-Fluctuating Capital	1,75,05,384	1,82,10,360
	1,76,04,384	1,83,09,360
Less: Impairment Loss on Permanent Diminution of the Investment	1,76,04,384	1,83,09,360
	-	-
Dryfruit Factory LLP		
-Fixed Capital	99,000	99,000
-Fluctuating Capital	19,31,13,458	16,53,60,353
	19,32,12,458	16,54,59,353
Span Diagnostics LLP		
-Fixed Capital	99,000	99,000
-Fluctuating Capital	-	55,902
	99,000	1,54,902
Desai Farmharvest LLLP		
-Fixed Capital	14,85,000	12,75,000
-Fluctuating Capital	-	-
	14,85,000	12,75,000
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 1 each).	6,70,000	6,70,000
Total (Subsidiaries)	29,95,14,889	23,42,66,520
Guarantee Commission Included in Fluctuating Capital		-
Total non-current investments	29,95,14,889	23,42,66,520

6(a)(ii) Current investments

	March 31, 2020	March 31, 2019
Investment in Mutual Fund		
Quoted		
Edelweiss Liquid Fund- Regular Plan Growth	-	2,05,47,457
DSP Blackrock FMP Fund	-	2,56,73,175
92 Birla Sunlife Frontline Equity Fund	-	7,04,293
Axis Banking & PSU Debt Fund	2,46,69,705	64,14,495
ICICI Prudential Liquid Fund Regular Plan - Growth	-	62,25,686
BSL Frontline Equity Fund-Growth	-	27,84,300
Franklin India Prima Plus Growth Fund	-	27,87,497
Franklin India Prima Plus Fund	-	6,92,719
ICICI Prudential Value Fund	-	25,31,610
Motilal Oswal Most Focus Multicap 35 Fund	-	7,73,772
Motilal Oswal Most Short Term Bond Fund	-	30,07,444
Birla Sun Life Short Term Fund Growth Fund	2,03,15,670	1,86,08,520
HDFC Corporate Debt Opportunity Fund-Regular-Growth	1,39,56,090	1,27,89,876
Kotak Medium Term Fund Reg Plan Growth	1,96,32,473	1,84,17,441
ICICI Prudential Medium Term Bond Fund - Growth	1,97,47,785	2,83,72,883
Kotak Saving Fund - Growth (Regular Plan)	24,09,203	-
Reliance Corporate Bond Fund	-	1,32,84,891
Total current investments	10,07,30,926	16,36,16,059

6(b) Trade receivables

	March 31, 2020	March 31, 2019
Trade receivables		
Receivables	23,00,418	24,14,352
Less: Allowance for doubtful debts	-	-
Total receivables	23,00,418	24,14,352
Current portion	23,00,418	24,14,352
Non-current portion	-	-

6 (c) (i) Cash and cash equivalents

	March 31, 2020	March 31, 2019
Balances with banks		
- in current accounts	3,10,898	43,97,934
- in EEFC accounts	-	-
Cash on hand	5,028	626
Total cash and cash equivalents	3,15,927	43,98,560

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

	March 31, 2020	March 31, 2019
Earmarked balances with banks for:		
Unpaid Dividend	83,650	81,007
	83,650	81,007

6 (d) Other financial assets

	March 31, 2020		March 31, 2019	
	Current	Non- current	Current	Non- current
Security deposits with banks		32,00,000	-	-
Guarantee Commission receivables	28,70,100	-	14,50,000	-
Security deposits	3,01,052	-	3,00,052	-
Accrued Interest	63,285	-	-	-
Other receivables	90,000	-	-	-
Advances to Employee	40,000	-	71,528	-
Total other financial assets	33,64,437	32,00,000	18,21,580	-

Note 7: Other current assets

	March 31, 2020	March 31, 2019
Prepaid expenses	1,01,835	82,349
Advances other than capital advances		
Other Advances	13,65,136	12,65,136
Balance with Statutory Authorities	14,75,809	33,68,307
Total other current assets	29,42,780	47,15,792

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, 2020	March 31, 2019
Authorised 15,000,000 Equity Shares of Rs. 10/- each (Previous year 15,000,000)	15,00,00,000	15,00,00,000
Issued, Subscribed and paid-up 5,461,747 (Previous Year 5,461,747) Equity Shares of Rs.10/- each fully paid up	5,46,17,470	5,46,17,470
	5,46,17,470	5,46,17,470

(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, 2020		March 31, 2019	
	Number of shares	% holding	Number of shares	% holding
Pradipkumar Keshavlal Desai	22,07,380	40.42%	13,60,880	24.92%
Lataben P Desai	-	-	8,46,500	15.50%
Bharti Patel	5,75,333	10.53%	5,75,333	10.53%
Viral Pradipkumar Desai	6,88,015	12.60%	5,67,527	10.39%

(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	18,14,253
In FY 2016-17	-
In FY 2017-18	-
In FY 2018-19	-
In FY 2019-20	-

(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, 2020	March 31, 2019
Capital Redemption Reserve	1,81,42,530	1,81,42,530
Capital Reserve	42,05,775	42,05,775
Retained earnings	36,02,49,996	36,39,07,446
Total reserves and surplus	38,25,98,300	38,62,55,751

(i) Capital Redemption Reserve

	March 31, 2020	March 31, 2019
Opening balance	1,81,42,530	1,81,42,530
Closing balance	1,81,42,530	1,81,42,530

(ii) Capital Reserve

	March 31, 2020	March 31, 2019
Opening balance	42,05,775	42,05,775
Closing balance	42,05,775	42,05,775

(iii) Retained earnings

	March 31, 2020	March 31, 2019
Opening balance	36,39,07,446	39,71,24,606
Net profit for the period	(35,05,941)	(3,24,21,486)
Opening leases impact as per Ind AS 116	(1,03,678)	
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(47,831)	(7,95,674)
Transfer to retained earnings of FVOCI equity investments, net of tax	-	-
Closing balance	36,02,49,996	36,39,07,446

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

	Maturity date	Terms of repayment	Coupon/ Interest rate	March 31, 2020	March 31, 2019
Secured					
Term loans					
From banks	15-02-2022	60 Months	8.35	6,71,073	9,44,778
Loan from Director	Based on Mutual Agreement		Nil	1,45,00,000	-
Total non-current borrowings				1,51,71,073	9,44,778
Less: Current maturities of long-term debt (included in note 11(b))				2,96,437	2,72,756

Less: Interest accrued (included in note 11(b))	2,327	3,276
Non-current borrowings (as per balance sheet)	1,48,72,308	6,68,746

9(a) Current borrowings

	Maturity date	Terms of repayment	Coupon/ Interest rate	March 31, 2020	March 31, 2019
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 is varies from 8.50% to 9.40%.	93,72,851	4,11,93,753
Total current borrowings				93,72,851	4,11,93,753
Less: Interest accrued (included in note 11(b))				66,254	1,95,126
Current borrowings (as per balance sheet)				93,06,597	4,09,98,627

9(b) Other financial liabilities

	March 31, 2020	March 31, 2019
Non-current		
Total other non-current financial liabilities		
Current		
Current maturities of long-term debt	2,96,437	2,72,756
Accrued Interest on Long term debt	2,327	3,276
Accrued Interest on Current term debt	66,254	1,95,126
Capital creditors	-	69,632
Security Deposits	12,78,000	1,50,000
Employee benefit payable	51,68,698	20,60,583
Total other current financial liabilities	68,11,716	27,51,373

9(c) Trade payables

	March 31, 2020	March 31, 2019
Current		
Trade payables	12,69,439	9,16,720
Total trade payables	12,69,439	9,16,720

There are no dues to Micro, small and medium enterprises as at March 31, 2020 and March 31, 2019. 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, 2020			March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Provision for employee benefits						
Gratuity	55,043	18,65,466	19,20,509	52,254	15,86,819	16,39,073
Current Obligation of Leave Encashment	3,36,825	7,09,435	10,46,260	67,426	8,54,787	9,22,213
Super Annuation Fund	19,57,500	-	19,57,500	16,20,000	-	16,20,000
Performance Salary	32,105	-	32,105	-	-	-
other	65,854	-	65,854	3,67,657	-	3,67,657
Total	24,47,327	25,74,901	50,22,228	21,07,337	24,41,606	45,48,943

Note 11: Deferred tax assets/Liabilities

The balance comprises temporary differences attributable to:

	March 31, 2020	March 31, 2019
Defined benefit obligations gratuity and leave	8,25,355	7,12,550
Property, plant and equipment	(5,89,267)	(10,85,614)
Fair value of Investment	(35,13,773)	(43,43,704)
Net deferred tax assets/(Liabilities)	(32,77,685)	(47,16,768)

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, 2020

	Defined benefit obligations gratuity and leave	Property, plant and equipment	Fair value of Investment	Total
(Charged)/credited:				
- to profit or loss	1,12,805	4,96,347	8,29,931	14,39,083
At March 31, 2020	1,12,805	4,96,347	8,29,931	14,39,083

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	9,35,089	(12,73,830)	14,09,183	10,70,442
At March 31, 2019	9,35,089	(12,73,830)	14,09,183	10,70,442

Note 12: Other current liabilities

	March 31, 2020	March 31, 2019
Advances for capital	1,15,00,000	-
Statutory tax payables	2,80,658	5,12,400
Total other current liabilities	1,17,80,658	5,12,400

Note 13(a): Revenue from Operations

	March 31, 2020	March 31, 2019
Sale of products	-	-
Other operating revenue	1,70,88,232	1,72,84,536
Total revenue from continuing operations	1,70,88,232	1,72,84,536

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

	March 31, 2020	March 31, 2019
Rental income	44,14,399	29,02,829
Unrealised Gain through P&L A/C (Investments)	82,027	-
Interest income from financial assets at amortised cost	69,911	32,17,284
Gain on sale of investments	88,52,597	21,00,093
Financial Guarantee Fees Income	14,50,000	14,50,000
Balances Written Back	-	26,67,985
Other items	-	1,241
Total other income	1,48,68,933	1,23,39,432

Note 14: Employee benefit expense

	March 31, 2020	March 31, 2019
Salaries, wages and bonus	1,27,94,000	1,55,53,569
Contribution to provident fund	5,47,666	10,32,873
Post-employment pension benefits	3,37,500	5,49,286
Total employee benefit expense	1,36,79,166	1,71,35,728

Note 15: Finance costs

	March 31, 2020	March 31, 2019
Interest on debts and borrowings	23,14,047	17,25,733
Finance costs expensed in profit or loss	23,14,047	17,25,733

Note 16: Depreciation and amortisation expense

	March 31, 2020	March 31, 2019
Depreciation of property, plant and equipment and Investment Property	90,63,925	1,11,36,251
Amortisation of intangible assets	94,967	98,520
Total depreciation and amortisation expense	91,58,892	1,12,34,771

Note 17: Other expenses

	March 31, 2020	March 31, 2019
Repairs and maintenance		
Buildings	5,18,228	4,39,157
Telephone and communication charges	70,510	1,06,775
Water and electricity charges	1,14,200	1,23,680
Rental charges	2,42,072	18,65,424
Rates and taxes	-	1,17,043
Legal and professional fees (Refer Note 18(a))	19,29,658	35,94,306
Travel and conveyance	5,63,386	13,45,479
Insurance	1,18,206	12,043
Printing and stationery	80,685	1,54,534
Debit Balance Written back	92,932	-
Membership Fees and Subscription	15,031	27,840
Selling Expenses	-	1,02,924
Miscellaneous expenses	26,29,909	3,77,172
Total other expenses	63,74,816	82,66,377

Note 17(a): Details of payments to auditors

	March 31, 2020	March 31, 2019
Payment to auditors		
As auditor:		
Audit fee	2,60,000	2,60,000
Tax audit fee	75,000	85,000
Other Services	3,00,000	1,75,000
Total payments to auditors	6,35,000	5,20,000

Note 18: Income tax expense

	March 31, 2020	March 31, 2019
(a) Income tax expense		
<i>Current tax</i>		
Current tax on profits for the year	-	-
Total current tax expense	-	-
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets	-	-
(Decrease) increase in deferred tax liabilities	(14,20,648)	10,72,662
Total deferred tax expense/(benefit)	(14,20,648)	10,72,662
Income tax expense	(14,20,648)	10,72,662
Other Comprehensive Income		
(Decrease) increase in deferred tax liabilities	18,435	2,220

Note 19: Commitments and Contingent Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Commitments	-	-
Contingent Liability		
Law suite by previous employee in subsidiary	8,00,215	-
Corporate Guarantee given on behalf of Subsidiary Company	14,50,00,000	14,50,00,000
Total	14,58,00,215	14,50,00,000

Note 20: Capital management**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, 2020	March 31, 2019
Net debt	4,40,40,718	4,58,47,866
Total equity	43,72,15,770	44,08,73,221
Net debt to equity ratio	10.07%	10.40%

Note 21: 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, 2020	March 31, 2019
(a) Basic earnings per share		
i. Profit (loss) attributable to equity shareholders(basic)	(35,05,941)	(3,24,21,486)
ii. Weighted average number of equity shares (basic)	54,61,747	54,61,747
Total basic earnings per share attributable to the equity holders of the company	(0.64)	(5.94)
(b) Diluted earnings per share		
i. Profit (loss) attributable to equity shareholders(basic)	(35,05,941)	(3,24,21,486)
ii. Weighted average number of equity shares (basic)	54,61,747	54,61,747
Total diluted earnings per share attributable to the equity holders of the company	(0.64)	(5.94)

Note 22: 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, 2020	March 31, 2019
Balance at the beginning of the year	16,39,073	18,62,546
Current service cost	89,125	4,30,446
Interest cost	1,26,045	1,43,975
Past Service Cost	-	-

Actuarial (gains) losses recognised		
- experience adjustments	7,706	(8,00,501)
- Financial Assumption adjustment	58,560	2,607
Balance at the end of the year	19,20,509	16,39,073

B. Expense recognised in profit or loss

	March 31, 2020	March 31, 2019
Current service cost	89,125	4,30,446
Interest on defined benefit Liability	1,26,045	1,43,975
Past service Cost	-	-
	2,15,170	5,74,421

C. Remeasurements recognised in other comprehensive income

	March 31, 2020	March 31, 2019
Actuarial (gain)/loss on Obligation for the period	66,266	(7,97,894)
Actuarial (gain)/loss due to DBO assumption change	-	-
	66,266	(7,97,894)

D. Actuarial assumptions

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

	March 31, 2020	March 31, 2019
Discount rate	6.84%	7.69%
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)

E. 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, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	68,513	74,020	(63,176)	67,488
Future salary growth (1% movement)	28,797	(25,501)	14,072	(12,396)
Attrition rate (1% movement)	(387)	639	8,090	(8,188)

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 23: 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 at 31 March 2020 and 31 March 2019. 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, 2020

	On Demand	in next 12 months	>1 year <5	> 5 year	Total
Borrowings	2,41,78,905	93,06,597	1,48,72,308	-	2,41,78,905
Trade payables	12,69,439	12,69,439	-	-	12,69,439
Other financial liabilities	68,11,716	68,11,716	-	-	68,11,716
Total	3,22,60,060	1,73,87,752	1,48,72,308	-	3,22,60,060

Year ended March 31, 2019

	On Demand	in next 12 months	>1 year <5	> 5 year	Total
Borrowings	4,16,67,373	4,09,98,627	6,68,746	-	4,16,67,373
Trade payables	9,16,720	9,16,720	-	-	9,16,720
Other financial liabilities	27,51,373	27,51,373	-	-	27,51,373
Total	4,53,35,466	4,46,66,720	6,68,746	-	4,53,35,466

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, 2020		March 31, 2019	
	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 24: 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, 2020	March 31, 2019
Total rental expense relating to operating leases	2,42,072	18,65,424

Note 25: 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	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.

Name of Personnel
(1) Dr. Pradip K Desai (2) Ms. Sujata V Desai (3) Ms. Lata P Desai (up to March 23, 2019)

E. Transactions with related parties during the year ended

S. No.	Name of the related party	Nature of transactions	March 31, 2020	March 31, 2019
1	Dryfruit Factory LLP	<u>Payment:</u>		
		Investment Made	4,09,32,945	3,35,96,167
		<u>Receipt:</u>		
		Investment	1,68,74,790	3,35,96,167
		Management Fees	9,79,503	38,26,622
		Interest capital	1,05,60,369	80,37,978
		Guarantee Commission	14,20,000	14,20,000
2	Aranya Agri Biotech LLP	Rent	17,19,900	16,38,000
		<u>Payment:</u>		
		Investment Made	4,43,72,419	34,00,000
		<u>Receipt:</u>		
		Management Fees	3,64,596	6,04,526
		Guarantee Commission	30,000	30,000
		Interest capital	49,54,996	36,45,050
3	Desai Farmharvest LLP	<u>Payment:</u>		
		Capital	2,10,000	-

4	Span Diagnostics LLP	<u>Payment:</u>		
		Interest capital	7,349	-
		<u>Receipt:</u>		
		Investment Made	50,000	-
5	Biospan Scientific LLP	Interest capital	1,447	3,001
		<u>Payment:</u>		
		Interest capital	7,04,976	-
		<u>Receipt:</u>		
6	Biospan Contamination Control Solutions Pvt Ltd	Management Fees	-	77,566
		Interest capital	-	10,89,792
		Rent	-	2,83,500
		<u>Receipt:</u>		
7	Mr. Viral Desai	<u>Management Fees</u>	83,081	-
		Rent	-	8,10,000
8	Mr. Minesh Patel (up to August 09, 2018)	Director Remuneration	42,52,457	62,80,160
		Rent	6,30,053	6,00,688
9	Ms. Samiksha Kansara	Salary	-	1,01,864
		Loan repayment	-	5,000
10	Ms. Sujata Desai	Salary	2,58,000	1,92,000
		Rent	27,65,353	27,02,735
11	Mr. Paras Desai (w.e.f. August 09, 2018)	Salary	6,30,053	6,00,688
		Salary	34,16,058	46,06,633
12	Dr. Pradip Desai (w.e.f. April 01, 2019)	<u>Payment</u>		
		Director Remuneration	5,86,862	-
		<u>Receipt</u>	-	-
		Un Secured Loan	1,45,00,000	-
		Advance against Property	1,15,00,000	-

F. Balances outstanding

S. No.	Name of the related party	Nature of balances	March 31, 2020	March 31, 2019
1	Dryfruit Factory LLP	<u>Receivable:</u>		
		Capital	17,34,31,935	14,93,71,809
		Interest Capital	1,97,81,620	1,60,85,573
		Guarantee Commission	28,39,200	14,20,000
		Management Fees	22,26,082	23,38,764
2	Aranya Agri Biotech LLP	<u>Receivable:</u>		
		Capital	10,22,17,727	6,12,45,308
		Guarantee Commission	30,900	30,000
		Management Fees	52,418	75,588
		Interest Capital	89,19,243	54,55,780
3	Span Diagnostics LLP	<u>Receivable:</u>		
		Capital	99,000	1,49,000
		Interest Capital	-	5,902
4	Biospan Scientific LLP	<u>Receivable:</u>		
		Capital	1,68,94,384	1,68,94,384
		Interest Capital	7,10,000	14,14,976
5	Desai Farmharvest LLLP	<u>Receivable:</u>		
		Capital	14,85,000	12,75,000
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>		
		Management Fees	15,363	-
		Capital	6,70,000	6,70,000
8	Mr. Viral Desai	<u>Payable</u>		
		Director Remuneration	35,99,449	2,81,753
		Rent Deposit	1,51,000	1,51,000
9	Ms. Samiksha Kansara	<u>Payable</u>		
		Salary	21,300	15,800
10	Ms. Sujata Desai	<u>Payable</u>		
		Salary	8,71,136	2,05,665
		Rent Deposit	1,00,000	1,00,000
11	Mr. Paras Desai (w.e.f August 09, 2018)	<u>Payable</u>		
		Salary	4,55,958	2,90,604
12	Dr. Pradip Desai (w.e.f April 01, 2019)	<u>Payable</u>		
		Un Secured Loan	1,45,00,000	-
		Advance Against Property	1,15,00,000	-
		Salary	1,37,042	-

Note 26: 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 31 March 2020 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:							
Non-Current							
i. Investments	29,95,14,889	-	-	-	-	29,95,14,889	-
ii. Loans	-	-	-	-	-	-	-
iii. Others	-	-	-	-	-	-	-
Current							
i. Investments	-	-	10,07,30,927	-	-	-	10,07,30,927
ii. Trade receivables	23,00,418	-	-	-	-	23,00,418	-
iii. Cash and cash equivalents	3,15,927	-	-	-	-	3,15,927	-
iv. Bank balances other than (iii) above	83,650	-	-	-	-	83,650	-
v. Others	33,64,437	-	-	-	-	33,64,437	-
Total	30,55,79,320	-	10,07,30,927	-	-	30,55,79,320	10,07,30,927
Liabilities:							
Non-Current							
i. Borrowings	43,555	-	-	-	-	43,555	-
Current liabilities							
i. Borrowings	23,42,66,520	-	-	-	-	23,42,66,520	-
ii. Trade payables	-	-	-	-	-	-	-
iii. Other financial liabilities	-	-	-	-	-	-	-
Total	23,43,10,075	-	-	-	-	23,43,10,075	-

The carrying value and fair value of financial instruments by categories as of 31 March 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:							
Non-Current							
i. Investments	23,42,66,520	-	-	-	-	23,42,66,520	-
Current							
i. Investments	-	-	16,36,16,059	-	-	-	16,36,16,059
ii. Trade receivables	24,14,352	-	-	-	-	24,14,352	-
iii. Cash and cash equivalents	43,98,560	-	-	-	-	43,98,560	-
iv. Bank balances other than (iii) above	18,21,580	-	-	-	-	18,21,580	-
v. Others	18,21,580	-	-	-	-	18,21,580	-
Total	24,47,22,592	-	16,36,16,059	-	-	24,47,22,592	16,36,16,059
Liabilities:							
Non-Current							
i. Borrowings	6,68,746	-	-	-	-	6,68,746	-
Current liabilities							
i. Borrowings	4,09,98,627	-	-	-	-	4,09,98,627	-
ii. Trade payables	9,16,720	-	-	-	-	9,16,720	-
iii. Other financial liabilities	27,51,373	-	-	-	-	27,51,373	-
Total	4,53,35,466	-	-	-	-	4,53,35,466	-

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2020:

Fair value measurement using					
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Current					
(i) Investments	31-Mar-20	10,07,30,927	-	-	10,07,30,927
Total		10,07,30,927	-	-	10,07,30,927

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 (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Current					
(i) Investments	31-Mar-19	16,36,16,059	-	-	16,36,16,059
Total		16,36,16,059	-	-	16,36,16,059

Note 27 : Expenditure in foreign currency

Particulars	March 31, 2020	March 31, 2019
Expenditure in foreign currency	-	35,312

Note 28 : Exceptional items

One of the subsidiaries Aranya Agri Biotech LLP, had accumulated losses of Rs.6.49 Crores during the preceding 3 years and Rs. 4.25 crore in the current year up to March 31, 2020. Hence the management had decided to impair the investment and Rs. 0.71 Crores were provided in the books of the Company and were treated as an exceptional item during the year. Notwithstanding the above, the financial results of the LLP have been prepared on going concern basis as management has initiated exercise to reorganize business structure which may help the company to establish profitable operation.

In case of subsidiary Biospan Scientific LLP which has accumulated losses of Rs.1.57 Crores as at 31st March 2019, resultantly there was substantial erosion in the net worth of the LLP. Hence the management had decided to impair the investment and Rs. 1.83 Crores were provided in the books of the company and had treated as an exceptional item during the year 2018-19. Notwithstanding the above, the financial results of the LLP had been prepared on going concern basis as management is exploring the possibilities to revive the LLP on its own or by entering in to business tie-ups and it might be able to establish profitable operation. 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 year as of that date and there was 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.

In case of another subsidiary Biospan Contamination Control Solution Pvt. Ltd as at March 31, 2020, the subsidiary company had accumulated losses of Rs.2.95 Crores during the previous year and as of that date, the subsidiary company's total liabilities exceeded its total assets by Rs. 2.85 Crores Notwithstanding the above, the financial results of the subsidiary company have been prepared on going concern basis as management believes that the company would be able to establish profitable operation and the losses incurred is on account of temporary reasons. Further, management is confident that with appropriate product license, the company will achieve adequate revenue and negative net worth would turn positive by 2023.

Note 29 : Lease accounting as per Ind AS 116

Effective April 1, 2019, the Company has adopted Ind AS 116, for Leases and applied the standard to its Leases using the modified retrospective approach. Accordingly, the Company has not restated comparative information.

This has resulted in recognising a lease liability measured at present value of the remaining lease payments and a corresponding Right-of-Use (ROU) asset as if the lease has been commenced w.e.f. 1st April 2019. The Company discounted remaining lease payments using the lessee's incremental borrowing rate as at 1st April 2019. The Company has also elected not to apply the requirements of Ind AS 116 to short term leases and leases for which underlying asset is of low value. In the results for the current period, the nature of expenses in respect of Operating lease has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability.

Note 30 :

In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentive including additional depreciation and accumulated depreciation. The Company is evaluating this option and continues to recognise the taxes on income for the quarter and half year ended 30th September 2019 as per the earlier provisions.

Note 31:

CoViD-19 pandemic is an unprecedented health situation in the world, which has swept almost all the countries under its effect. Span Divergent Limited (SDL) is a Holding Company and it has its investment in various businesses run by the subsidiary companies/LLPs. During lockdown period, corporate office Staff worked as per "work from home" policy. The Corporate office of the Company resumed with minimum staff as per the approvals/clearances from the Government of Gujarat after the Lockdown norms were relaxed. The Company is complying with all the requirements related to Social Distancing, mandatory to wear face mask and have proper sanitizations frequently. A Brief note about business status of each of its subsidiary company is given below;

Dryfruit Factory LLP (DFFL): Span has the highest amount of investment in this venture. DFFL is involved in processing of Raw Cashew Nuts. The revenue of DFFL comes from the Service Income in form of Tolling Charges. As the Tolling Contract is for the Long Term, DFFL did not face any adverse situation in generating revenue and the Tolling Operation was continued till the nationwide lock down was declared with substantial pending Work in Progress inventory and DFFL expects fresh stock of Raw Cashew Nuts for processing, once the lock down

situation ends. However, pandemic have had an adverse impact on the revenue, as the operations were disrupted and in the coming months the effect of pandemic and lockdown is expected to be felt substantially as it is expected to be difficult to get plant run on full capacity in coming months as originally envisaged. As such there were plans on running the operations on 16MT from April 2020 onwards, which will be delayed. Under these circumstances, there is likely hood of achieving breakeven level sales turnover with significant delay as compared to original plan.

Aranya Agribiotech LLP (AABL): AABL is involved in Plant Tissue Culture business which falls into the Agriculture Activities. The cycle time for the business operation is 13-15 months and agriculture produce in form of Hardened Plants are ready to be sold between the month of June and September. At the end of March 2020, all the plants were in the laboratory undergoing growth cycle. Also, as part of alternate strategy of manufacturing as a trial to reduce cost, some plants were transferred to another company for manufacturing (Manufacturing was outsourced).

The onset of CoViD-19 during the period will have an impact on the operation outsourced to the Lab situated at Maharashtra. Due to Lock down, the work was stopped and there will be higher mortality than estimated in the lab as well as in the hardening. Due to this, LLP will have an adverse impact of up to 50% of revenue in top line.

It is also expected that by the time the plants are ready to sale during the month between June-20 and September-20, the CoViD-19 pandemic would have been brought under reasonable control and business operation would assume normalcy. In fact, LLP has orders in hand and shall be shipped during the season as soon as the plants become ready and transporters resume operation ensuring timely delivery commitments.

Further as a part of restructuring, AABL has already decided to down size its business operation, by focusing on high value unique products developed by its in-house R & D and getting out of large-scale production of low margin Banana Plants. This further reduces the vulnerability of the business to any uncertainty.

New R&D laboratory is in process of establishment at Vadodara, Gujarat. It is expected that after lockdown the operation shall be resumed.

Biospan Contamination Control Solutions Private Limited (BCCSPL): This is a joint venture company between SDL and Micron Clean UK, engaged in trading Clean Room products to large sized Pharmaceutical and Biotech Companies. BCCSPL has been able to supply all the pending orders till the nation-wide lockdown was announced on 24th March 2020. Due to very nature of the products, (being protective gears and disinfectants) the demand of such products is expected to increase in future and outlook for the business is very optimistic. However, on the other side, the company is expecting to face challenge in terms of supply of imported products and increase in cost due to the increase in global demand of the imported products.

Biospan Scientific LLP (BSLLP): No significant business is carried out under this subsidiary LLP and there was no major impact of CoViD-19 on the business of BSLLP as of 31-3-2020. The business is expected to be carried out unaffected during the CoViD-19 pandemic, should it continue further, as the products traded by BSLLP falls under the essential products during pandemic. However, BSLLP is expecting to experience challenges in terms of supply and cost increase of imported products.

Span Diagnostics LLP: No business activity is carried out in this LLP.

Desai Farm Harvest LLP: No business is actively carried out in this LLP.

The Operational Activities have been commenced gradually in a way according to guideline issued by the Government with face mask; face cover, proper sanitisation of work place and social distancing. The Company and its subsidiaries have taken proper steps to ensure smooth functioning of operations. As per the government guidelines, all companies' operation shall be scaled up. Though there may be substantial impediments in scaling up in terms of availability of workmen due to migration of workmen in past few weeks.

Supply Chain/Liquidity Position and Ability to service debt: CoViD-19 pandemic has halted the operations worldwide and there might be supply disruptions, if the pandemic is prolonged. All companies under the group are likely to continue to face interruptions in business with high degree of liquidity crunch and mounting of losses and foresee difficulties in servicing debts. However, recently announced stimulus package by government, if implemented timely and in right spirit along with some relaxation by RBI in credit policy may help SDL put its businesses on track without unsurmountable difficulties.

Internal Finance Control: The control are in place, as till 20th March 2020, The business processes were carried out normally and during the lock down period; businesses were transacted as per Internal Finance Control system in place, and authority metrics under controlled environment.

The company is constantly assessing the future impact of CoViD-19 on other aspects, operations, profitability, liquidity position, demand for its products/service and it will keep updating on these issues. Company is making constant efforts to mitigate its effect.

Note 32 :

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

Hemant J Bhatt

Partner

Membership No: 036834

Date : July 10, 2020

Place: Ahmedabad

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

Paras Desai
CFO
Date : July 10, 2020
Place: Surat

Samiksha Kansara
Company Secretary

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, 2020, 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 "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") prescribed under section 133 of the Act, of the consolidated state of affairs of the Group, as at March 31, 2020, their consolidated loss (including other comprehensive income), their 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 on the consolidated Ind AS financial statements.

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 year. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter(s)	How our audit addressed the key audit matter
<p>Valuation of Biological Assets <i>(Refer Note 6 to the consolidated financial statements)</i> The Group held Biological Assets, which includes tissue culture plants, of Rs. 51.03 lakhs at March 31, 2020 through a subsidiary LLP. 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. 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>

Other Information

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

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 prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 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, its subsidiary companies, which are companies incorporated in India, 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 Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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 year 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

We did not audit the Ind AS financial statements of One (1) subsidiaries, whose Ind AS financial statements reflects total assets of Rs. 8.94 Lakhs and net assets of Rs. (16.61) as at March 31, 2020, 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. The consolidated Ind AS financial statements also include Group's share of net profit/loss of Rs. Nil for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements/financial information 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 these subsidiary, and our report in terms of section 143(3) of the Act, in so far

as it relates to the aforesaid subsidiaries, 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:

- 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 of the aforesaid consolidated Ind AS financial statements;
- b. 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 and the reports of the management;
- c. 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;
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f. 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 of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure".

- 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 by the Holding Company and its subsidiary companies, incorporated in India, the remuneration paid to their directors during the year by the Holding Company, subsidiary companies, incorporated in India 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 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;
 - (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

UDIN:20036834AAAABQ7042

Date : July 10, 2020

Place: Ahmedabad

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our 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, 2020]

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 Span Divergent Limited ("Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies 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, its subsidiary companies, which are companies 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 and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of Holding Company, its subsidiary companies,.

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 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 and based on consideration of reporting of other auditors as mentioned in Other Matters paragraph below, the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies 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, 2020, 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

UDIN: 0036834AAAABQ7042

Date : July 10,2020

Place: Ahmedabad

SPAN DIVERGENT LIMITED
(Formerly Span Diagnostics Limited)
Consolidated Balance sheet as at March 31, 2020

	Notes	March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	16,80,07,998	21,21,83,506
Right-of-use-assets		2,52,80,344	-
Capital work-in-progress	3	11,40,038	4,26,082
Investment properties	4	67,82,621	95,57,156
Goodwill	5	12,04,844	22,02,518
Other intangible assets	5	6,01,469	7,43,193
Intangible assets under development	5	1,75,704	1,30,244
Biological assets other than bearer plants	6	51,03,417	1,88,35,967
Financial assets			
i. Others	7(d)	57,00,000	-
Deferred tax assets (Net)	8(a)	22,73,891	16,783
Other non-current assets	9	-	13,009
Total non-current assets		21,62,70,326	24,41,08,458
Current assets			
Inventories	10	1,10,97,426	2,60,04,207
Financial assets			
i. Investments	7(a)	10,07,30,926	16,36,16,059
ii. Trade receivables	7(b)	1,01,04,981	1,45,55,301
iii. Cash and cash equivalents	7(c)(i)	34,43,307	1,89,02,195
iv. Bank balances other than (iii) above	7(c)(ii)	12,83,649	81,007
v. Others	7(d)	65,83,150	84,04,903
Current tax Assets (Net)		42,64,624	29,29,446
Other current assets	11	1,91,41,404	1,40,99,201
Assets classified as held for sale		2,26,96,070	-
Total current assets		17,93,45,537	24,85,92,319
Total assets		39,56,15,863	49,27,00,777
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	5,46,17,470	5,46,17,470
Other equity	12(b)	12,12,24,176	19,87,10,010
Non Controlling Interest		(4,23,06,110)	(3,38,87,382)
		13,35,35,535	21,94,40,097
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	13(a)	8,02,26,841	7,31,54,817
ii. Lease Liability		2,09,98,496	-
Provisions	14	35,64,541	34,94,425
Deferred tax liabilities (Net)	8(b)	36,33,139	76,95,893
Total non-current liabilities		10,84,23,017	8,43,45,135
Current liabilities			
Financial liabilities			
i. Borrowings	13(a)	7,47,18,976	13,62,49,276
ii. Lease Liability		87,20,100	-
iii. Trade payables			
A) total outstanding dues of micro enterprises and small enterprises;		-	-
B) total outstanding dues of creditors other than micro enterprises and small enterprises	13(c)	1,04,62,363	62,12,437
iv. Other financial liabilities	13(b)	1,81,16,206	2,05,98,927
Other current liabilities	15	1,41,08,007	13,88,262
Provisions	14	2,75,31,659	2,44,66,642
Total current liabilities		15,36,57,311	18,89,15,545
Total liabilities		26,20,80,328	27,32,60,680
Total equity and liabilities		39,56,15,863	49,27,00,777
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

Hemant J Bhatt
Partner
Membership No: 036834
Date : July 10, 2020
Place: Ahmedabad

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

Viral P Desai
Managing Director
DIN : 00029219

Dr. Pradip K Desai
Director
DIN : 00026451

Paras Desai
CFO
Date : July 10, 2020
Place: Surat

Samiksha Kansara
Company Secretary

SPAN DIVERGENT LIMITED
(Formerly Span Diagnostics Limited)

Consolidated Statement of profit and loss for the year ended March 31, 2020

	Notes	March 31, 2020	March 31, 2019
Continuing operations			
Revenue from operations	16	9,37,91,674	24,13,98,345
Other income	17	2,49,32,125	1,14,44,971
Total Income		11,87,23,799	25,28,43,316
Expenses			
Cost of materials consumed	18(a)	44,18,298	17,89,39,374
Purchases of stock-in-trade	18(b)	2,49,19,214	74,48,237
Changes in inventories of work-in-progress, stock-in-trade and finished goods	18(c)	1,89,97,542	(45,11,793)
Employee benefit expense	19	3,51,06,976	5,29,36,158
Finance costs	20	1,99,45,025	1,88,81,903
Depreciation and amortisation expense	21	3,45,06,969	3,62,21,700
Donation		-	43,00,000
Other expenses	22	6,80,87,137	7,50,65,088
Total expenses		20,59,81,161	36,92,80,667
Profit before exceptional items and tax		(8,72,57,362)	(11,64,37,351)
Exceptional items	33	(53,56,834)	(1,83,10,183)
Profit/(Loss) before tax		(9,26,14,196)	(13,47,47,534)
Tax expense	23		
- Current tax		-	-
- Deferred tax		(64,90,640)	58,16,181
Profit/(Loss) for the period from continuing operations		(8,61,23,557)	(14,05,63,715)
Profit for the year attributable to:			
(a) Owners of the Company		(7,76,95,698)	(12,17,48,359)
(b) Non Controlling Interest		(84,27,863)	(1,88,15,356)
		(8,61,23,562)	(14,05,63,715)
Other comprehensive income			
Remeasurement costs of Post employment benefits		4,93,456	(16,08,704)
Deferred tax on post employment		(1,70,779)	2,21,029
Other comprehensive income for the year, net of tax		3,22,677	(13,87,675)
Other comprehensive income for the year attributable to:			
(a) Owners of the Company		3,13,542	(12,01,926)
(b) Non Controlling Interest		9,135	(1,85,749)
		3,22,677	(13,87,675)
Total comprehensive income for the year		(8,58,00,880)	(14,19,51,390)
Total comprehensive income for the year attributable to:			
(a) Owners of the Company		(7,73,82,157)	(12,29,50,285)
(b) Non Controlling Interest		(84,18,728)	(1,90,01,105)
		(8,58,00,880)	(14,19,51,390)
Earnings per equity share for profit from operation attributable to owners of the entity:			
Basic earnings per share	26	(15.77)	(25.74)
Diluted earnings per share	26	(15.77)	(25.74)
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 and on behalf of the Board of Directors
Span Divergent Ltd

For Haribhakti & Co. LLP

Chartered Accountants
Firm Registration No: 103523W / W100048

Hemant J Bhatt

Partner
Membership No: 036834

Date : July 10, 2020
Place: Ahmedabad

Viral P Desai
Managing Director
DIN : 00029219

Paras Desai
CFO

Date : July 10, 2020
Place: Surat

Dr. Pradip K Desai
Director
DIN : 00026451

Samiksha Kansara
Company Secretary

SPAN DIVERGENT LIMITED
(Formerly Span Diagnostics Limited)

Consolidated Statement of cash flows for the year ended March 31,2020

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before income tax	(9,26,14,196)	(13,47,47,534)
Adjustments for		
Depreciation and amortisation expense	3,45,06,969	3,62,21,700
Rental Income	(26,15,399)	(2,02,828)
Interest Income	(69,911)	(35,29,888)
Gain on Sale of Investments	(88,52,597)	(21,00,094)
Unrealised Gain Loss on Biological Assets/Investments	82,25,504	(43,30,643)
Finance Cost	1,99,45,025	1,88,81,903
Loss on Sale of Fixed Assets	-	7,17,854
Impairment of Investments	53,56,834	1,83,10,183
Forex Gain Loss	-	1,03,510
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	44,50,320	92,24,355
(Increase)/Decrease in Inventory	1,49,06,781	94,90,533
(Increase)/Decrease in Biological Assets	55,07,046	(1,18,70,223)
Increase in trade payables	41,55,513	(76,56,661)
(Increase) in other financial assets	(38,78,247)	(13,38,792)
(Increase)/decrease in other non-current assets	13,009	5,23,215
(Increase)/decrease in other current assets	(50,42,202)	43,91,614
Increase/(decrease) in provisions	59,10,394	(12,82,224)
Increase/(decrease) in other financial liabilities	(24,82,721)	12,51,866
Increase in other current liabilities	1,27,19,745	(18,63,452)
Cash generated from operations	1,41,867	(6,98,05,604)
Income taxes paid	(13,12,178)	(10,70,341)
Net cash inflow from operating activities	(11,70,310)	(7,08,75,946)
Cash flows from investing activities		
Proceeds / (Purchase) from sale of investments	6,82,41,966	9,34,66,000
Purchase of property, plant and equipment	(1,34,01,205)	23,29,764
Proceeds from sale of property, plant and equipment	-	(7,17,854)
Rental Income	26,15,399	2,02,828
Interest received	14,56,626	52,07,381
Net cash outflow from investing activities	5,89,12,786	10,04,88,119
Cash flows from financing activities		
Proceeds/Repayment from borrowings	(5,44,58,277)	(1,23,51,940)
Payment towards unclaimed dividend	12,02,640	(1,51,544)
Interest paid	(1,99,45,426)	(1,57,36,155)
Net cash inflow (outflow) from financing activities	(7,32,01,063)	(2,82,39,639)
Net increase (decrease) in cash and cash equivalents	(1,54,58,587)	13,72,535
Cash and cash equivalents at the beginning of the financial year	1,89,01,894	1,75,29,660
Cash and cash equivalents at end of the year	34,43,307	1,89,02,195
	Year ended March 31, 2020	Year ended March 31, 2019
Balances with banks		
- in current accounts	33,55,648	1,88,18,602
Cash on hand	87,659	83,593
Balances per statement of cash flows	34,43,307	1,89,02,195
Corporate information & Summary of significant accounting policies 1&2		

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

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

Hemant J Bhatt
Partner
Membership No: 036834

Date : July 10, 2020
Place: Ahmedabad

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

Viral P Desai
Managing Director
DIN : 00029219

Paras Desai
CFO

Date : July 10, 2020
Place: Surat

Dr. Pradip K Desai
Director
DIN : 00026451

Samiksha Kansara
Company Secretary

SPAN DIVERGENT LIMITED

(Formerly Span Diagnostics Limited)

Consolidated Statement of changes in equity for the year ended March 31, 2020**a. Equity share capital**

	Notes	Amount
Issue of Share Capital	10	-
As at March 31, 2019	10	5,46,17,470
Issue of Share Capital	10	-
As at March 31, 2020	10	5,46,17,470

b. Other Equity

	Reserves and Surplus		
	Capital Redemption Reserve	Capital Reserve	Retained Earnings
Opening Balance as on April 1, 2018	1,81,42,530	42,05,775	28,37,72,299
Add: Loss for the year	-	-	(14,05,63,715)
Total Comprehensive Income for the year	-	-	(13,87,675)
Balance as on March 31, 2019	1,81,42,530	42,05,775	14,18,20,909
Add: Loss for the year	-	-	(8,61,23,557)
transition opening Impact of Implementation of Ind AS 116 Leases	-	-	(1,03,678)
Total Comprehensive Income for the year	-	-	3,22,677
Balance as on March 31, 2020	1,81,42,530	42,05,775	5,59,16,351

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

Date : July 10, 2020

Place: Ahmedabad

Paras Desai
CFO

Samiksha Kansara
Company Secretary

Date : July 10, 2020

Place: Surat

SPAN DIVERGENT LIMITED

Consolidated Notes to financial statements for the year ended March 31, 2020

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

1 Corporate information

Span Divergent Limited is Public 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 is evaluating 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	99%

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 recognise 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 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 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.

(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 identified following business segments as reportable segments. (i) Cashew processing (ii)Tissue Culture (iii)Trading.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment, if any have been allocated based on associated revenue of the segment. All other expenses if any, which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Property, plant, and equipment that are used interchangeably among segments are not allocated to reportable segments."

(o) Leases

The Company has implemented the Ind AS 116 "Leases" as notified by Ministry of Corporate Affairs on 30th March 2019 through the Companies (Indian Accounting Standard) Amendment Rules, 2019.

The Company has applied the standard w.e.f. accounting period commenced on or after April 1, 2019 to its Leases using the modified retrospective approach, therefore previous period comparative figures are not adjusted in the financial statements. This has resulted in recognising a lease liability measured at present value of the remaining lease payments and a corresponding Right-of-Use (ROU) asset as if the lease has been commenced w.e.f. 1st April 2019. The Company discounted remaining lease payments using the lessee's incremental borrowing rate as at 1st April 2019. The Company has also elected not to apply the requirements of Ind AS 116 to short term leases and leases for which underlying asset is of low value. In the results for the current period, the nature of expenses in respect of Operating lease has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. The rights of use assets are depreciated on a straight line basis over a lease term. The net impact of this adoption is not material on the earnings per share. The other amendments encompass various guidance and clarifications which affect disclosures.

In connection with the transition to the new standard, management has applied judgement and formed assumptions in relation to assessing the incremental borrowing rate, service components and extension options of leasing arrangements. Management has formed its judgements and assumptions based on historical experience, internal and external available information and data.

A contract or parts of contracts that conveys the right to control the use of an identified asset for a period of time in exchange for payments to be made to the owners (lessors) are accounted for as leases. Contracts are assessed to determine whether a contract is, or contains, a lease at the inception of a contract or when the terms and conditions of a contract are significantly changed.

Where the Company is the lessee in a lease arrangement at inception, the lease contracts are recognized as rights-of use assets and lease liabilities are measured at present value of lease payments at initial recognition except for short-term leases and leases of low value. The rights of use assets are depreciated on a straight line basis over a lease term. Lease payments are discounted using the interest rate implicit in the lease. If that rate is not readily available, the incremental borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Payments associated with short-term leases and leases of low-value assets are recognised as an expense in profit & loss Account.

Where the Company is the lessor in a lease arrangement at inception, the lease arrangement will be classified as a finance lease or an operating lease. Classification is based on the extent to which the risks and rewards incidental to ownership of the underlying asset lie with the lessor or the lessee. Under operating lease, where the Company is the lessor, the assets are included in the balance sheet and, where applicable, are depreciated in accordance with the Company's depreciation policies as set out in Note 3 Property, plant and equipment. Revenue arising from assets leased out under operating leases is recognised on overtime 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 controlled laboratory environment. Tissue culture propagation primarily 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.

(f) Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of 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, 2020	March 31, 2019
Carrying amount of:		
Freehold land*	1,08,32,654	3,35,28,724
Computers	1,13,962	2,93,237
Office equipment	7,94,313	13,95,445
Buildings & Roads	9,63,49,378	10,32,36,497
Vehicles	19,84,063	28,84,665
Electrical Installment	55,20,372	73,02,390
Leasehold Improvements	6,24,002	12,21,079
Furniture and fixtures	28,96,765	38,84,928
Plant and Machinery	4,07,36,710	4,78,77,351
Shed Building	6,31,429	6,77,919
R&D Equipment	1,86,272	3,39,118
Green House Site	19,62,022	22,88,927
Compound Wall	53,76,057	72,53,226
Capital work in progress	11,40,038	4,26,082
Total Tangible assets	16,91,48,036	21,26,09,588

Note : 3.1 Property, plant and equipment

Description of Assets	Freehold land	Computers	Office equipment	Buildings & Roads	Vehicles	Electrical Installment	Leasehold Improvements	Furniture and fixtures	Plant and Machinery	Shed Building	R&D Equipment	Green House Site	Compound Wall	Total
At Cost														
Opening Balance	3,35,28,724	16,43,886	46,73,102	12,07,49,599	73,28,613	1,13,38,182	79,21,599	67,15,825	6,40,92,406	4,96,121	17,37,674	43,07,292	1,02,13,107	27,47,46,129
Additions	-	1,89,563	52,904	6,62,282	-	1,36,782	97,281	87,495	43,97,202	2,03,889	-	-	-	58,27,398
Deletions	-	2,71,929	-	-	-	-	46,25,222	-	-	-	-	-	-	48,97,151
March 31, 2019	3,35,28,724	15,61,520	47,26,006	12,14,11,881	73,28,613	1,14,74,964	33,93,658	68,03,320	6,84,89,608	7,00,010	17,37,674	43,07,292	1,02,13,107	27,56,76,376
Additions	-	8,732	25,496	29,17,416	-	1,16,122	-	22,881	5,48,441	-	-	4,28,230	-	40,67,318
Assets	2,26,96,070	-	-	-	-	-	-	-	-	-	-	-	-	2,26,96,070
Classified as held for Sale														
Deletions														-
March 31, 2020	1,08,32,654	15,70,252	47,51,502	12,43,29,297	73,28,613	1,15,91,086	33,93,658	68,26,201	6,90,38,049	7,00,010	17,37,674	47,35,522	1,02,13,107	25,70,47,624
Depreciation														
Opening Balance	-	10,00,030	22,11,059	84,38,906	31,34,547	16,55,436	19,66,853	15,71,013	95,85,395	22,091	11,20,290	20,18,365	4,27,257	3,31,51,243
Charge for the year	-	4,72,955	11,19,502	97,36,478	13,09,401	25,17,137	6,44,177	13,47,378	1,10,26,862	-	2,78,266	-	25,32,624	3,09,84,781
Deletions	-	2,04,702	-	-	-	-	4,38,451	-	-	-	-	-	-	6,43,153
March 31, 2019	-	12,68,283	33,30,561	1,81,75,384	44,43,948	41,72,573	21,72,579	29,18,392	2,06,12,258	22,091	13,98,556	20,18,365	29,59,881	6,34,92,871
Charge for the year	-	1,88,007	6,26,628	98,04,535	9,00,602	18,98,141	5,97,077	10,11,045	76,89,082	46,490	1,52,846	7,55,135	18,77,169	2,55,46,756
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
March 31, 2020	-	14,56,290	39,57,189	2,79,79,918	53,44,550	60,70,714	27,69,656	39,29,436	2,83,01,339	68,581	15,51,402	27,73,500	48,37,050	8,90,39,628
Net Block														
March 31, 2019	3,35,28,724	2,93,237	13,95,445	10,32,36,497	28,84,665	73,02,390	12,21,079	38,84,928	4,78,77,351	6,77,919	3,39,118	22,88,927	72,53,226	21,21,83,505
March 31, 2020	1,08,32,654	1,13,962	7,94,313	9,63,49,378	19,84,063	55,20,372	6,24,002	28,96,765	4,07,36,710	6,31,429	1,86,272	19,62,022	53,76,057	16,80,07,998

* Land of amount Rs. 1,72,18,724 has been pledged as security for borrowings.

Note 4: Investment properties

	March 31, 2020	March 31, 2019
Carrying amount		
Opening carrying amount / Deemed cost	1,36,50,815	1,36,50,815
Additions	-	-
Closing carrying amount	1,36,50,815	1,36,50,815
Accumulated depreciation		
Opening accumulated depreciation	40,93,659	-
Depreciation charge	27,74,535	40,93,659
Closing accumulated depreciation	68,68,194	40,93,659
Net carrying amount	67,82,621	95,57,156
(i) Amounts recognised in profit or loss for investment properties		
	March 31, 2020	March 31, 2019
Rental income	3,60,000	2,02,829
Direct operating expenses from property that generated rental income	89,950	65,893
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	2,70,050	1,36,936
Depreciation	27,74,535	40,93,659
Profit from investment properties	(25,04,485)	(39,56,723)
(ii) Fair value		
	March 31, 2020	March 31, 2019
Investment properties	1,36,50,815	1,36,50,815

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, 2020	March 31, 2019
Carrying amount of:		
Software	30,037	61,089
Goodwill	12,04,844	22,02,518
Intellectual Property	54,628	88,548
Trademark	5,16,804	5,93,556
Intangible Under Development	1,75,704	1,30,244
Total Intangible assets	19,82,017	30,75,955

Note 5.1: Intangible Assets

Description of Assets	Software	Goodwill	Intellectual Property	Trademark	Total
At Cost					
Opening Balance	1,70,240	49,74,749	2,00,000	5,69,657	59,14,646
Additions	20,400	-	-	1,79,637	2,00,037
Deletions	-	-	-	-	-
March 31, 2019	1,90,640	49,74,749	2,00,000	7,49,294	61,14,683
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
March 31, 2020	1,90,640	49,74,749	2,00,000	7,49,294	61,14,683
Depreciation					
Opening Balance	89,758	17,77,281	71,452	87,221	20,25,712
Charge for the year	39,793	9,94,950	40,000	68,517	11,43,260
Deletions	-	-	-	-	-
March 31, 2019	1,29,551	27,72,231	1,11,452	1,55,738	31,68,972
Charge for the year	31,053	9,97,674	33,920	76,751	11,39,398
Deletions	-	-	-	-	-
March 31, 2020	1,60,603	37,69,905	1,45,372	2,32,490	43,08,370
Net Block					
March 31, 2019	61,089	22,02,518	88,548	5,93,556	29,45,711
March 31, 2020	30,037	12,04,844	54,628	5,16,804	18,06,313

Note 6: Biological Assets**Tissue culture plantations**

Particulars	March 31, 2020	March 31, 2019
Opening Balance	1,88,35,967	1,14,76,614
New Plantations	-	10,99,748
Change in fair value due to according transformation in Biological assets	1,37,32,550	62,59,605
Closing Balance	51,03,417	1,88,35,967

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, 2020	March 31, 2019
Total gain / (loss) recognised in the Statement of Profit and Loss	1,37,32,550	62,59,605
Change in unrealised gain / (loss) recognised in the Statement of Profit and Loss	-	-
	1,37,32,550	62,59,605

c. Valuation inputs and relationship to fair value:

Particulars	March 31, 2020	March 31, 2019
Tissue culture plantations	51,03,417	1,88,35,967

(Measured at fair value less costs to sell estimating projected cash flows, impact of discounting considered material due to transformation cycle)

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		
Investment in Mutual Fund Quoted	March 31, 2020	March 31, 2019
Edelweiss Liquid Fund- Regular Plan Growth	-	2,05,47,457
DSP Blackrock FMP Fund	-	2,56,73,175
92 Birla Sunlife Frontline Equity Fund	-	7,04,293
Axis Banking & PSU Debt Fund	2,46,69,705	64,14,495
ICICI Prudential Liquid Fund Regular Plan - Growth	-	62,25,686
BSL Frontline Equity Fund-Growth	-	27,84,300
Franklin India Prima Plus Growth Fund	-	27,87,497
Franklin India Prima Plus Fund	-	6,92,719
ICICI Prudential Value Fund	-	25,31,610
Motilal Oswal Most Focus Multicap 35 Fund	-	7,73,772
Motilal Oswal Most Short Term Bond Fund	-	30,07,444
Birla Sun Life Short Term Fund Growth Fund	2,03,15,670	1,86,08,520
HDFC Corporate Debt Opportunity Fund-Regular-Growth	1,39,56,090	1,27,89,876
Kotak Medium Term Fund Reg Plan Growth	1,96,32,473	1,84,17,441
ICICI Prudential Medium Term Bond Fund - Growth	1,97,47,785	2,83,72,883
Kotak Saving Fund - Growth (Regular Plan)	24,09,203	-
Reliance Corporate Bond Fund	-	1,32,84,891
Total current investments	10,07,30,926	16,36,16,059

7(b) Trade receivables	March 31, 2020	March 31, 2019
Trade receivables	1,01,04,981	1,45,55,301
Less: Allowance for doubtful debts	-	-
Total receivables	1,01,04,981	1,45,55,301
Current portion	1,01,04,981	1,45,55,301
Non-current portion	-	-

7 (c) (i) Cash and cash equivalents	March 31, 2020	March 31, 2019
Balances with banks		
- in current accounts	33,55,648	1,88,18,602
Deposits with maturity of less than three months	-	-
Cash on hand	87,659	83,593
Total cash and cash equivalents	34,43,307	1,89,02,195

7 (c) (ii) Bank Balances Other than Cash and cash equivalents	March 31, 2020	March 31, 2019
Other bank balance	12,00,000	-
Earmarked balances with banks for:		
Unpaid Dividend	83,649	81,007
	12,83,649	81,007

7 (d) Other financial assets	March 31, 2020		March 31, 2019	
	Current	Non- current	Current	Non- current
Security deposits	43,90,693	-	28,51,860	-
Security deposits with Banks	11,55,734	57,00,000	49,90,000	-
Accrued Interest	9,96,723	-	4,91,515	-
Advances to Employee	40,000	-	71,528	-
Total other financial assets	65,83,150	57,00,000	84,04,903	-

Note 8(a): Deferred tax assets/Liabilities		
The balance comprises temporary differences attributable to:	March 31, 2020	March 31, 2019
Defined benefit obligations gratuity and leave	67,883	5,763
Property, plant and equipment	22,06,008	11,020
Net deferred tax assets/(Liabilities)	22,73,891	16,783

Note 8(b): Deferred tax assets/Liabilities		
The balance comprises temporary differences attributable to:	March 31, 2020	March 31, 2019
Defined benefit obligations gratuity and leave	8,25,355	9,34,688
Property, plant and equipment	(9,44,721)	(42,86,877)
Fair value of Investment	(35,13,773)	(43,43,704)
Net deferred tax assets/(Liabilities)	(36,33,139)	(76,95,893)

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, 2020

	Defined benefit obligations gratuity and leave	Property, plant and equipment	Fair value of Investment	Total
(Charged)/credited:				
- to profit or loss	(47,213)	55,37,144	8,29,931	63,19,862
At March 31, 2020	(47,213)	55,37,144	8,29,931	63,19,862

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	(9,36,639)	42,75,857	43,43,704	76,82,922
At March 31, 2019	(9,36,639)	42,75,857	43,43,704	76,82,922

Note 9: Other non-current assets	March 31, 2020	March 31, 2019
Capital advances	-	13,009
Total other non-current assets	-	13,009

Note 10: Inventories	March 31, 2020	March 31, 2019
Raw materials	10,51,460	19,16,827
Work in Progress	-	1,97,690
Finished goods	19,43,238	1,38,47,063
Traded goods	68,72,127	82,24,171
Consumables, Stores and spares and Packing materials	12,30,601	18,18,456
Total inventories	1,10,97,426	2,60,04,207

Note 11: Other current assets	March 31, 2020	March 31, 2019
Prepaid expenses	2,28,401	5,08,013
Other Deposits	35,680	35,680
Advances other than capital advances	-	-
Advances to related parties	-	42,665
Other Advances	52,29,084	23,35,411
Advances to Employees	16,640	-
Balance with Statutory Authorities	1,36,08,045	1,11,77,432
Others	23,554	-
Total other current assets	1,91,41,404	1,40,99,201

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, 2020	March 31, 2019
Authorised		
15,000,000 Equity Shares of Rs. 10/- each (Previous year 15,000,000)	15,00,00,000	15,00,00,000
Issued, Subscribed and paid-up		
5,461,747 (Previous Year 5,461,747) Equity Shares of Rs.10/- each fully paid up	5,46,17,470	5,46,17,470
	5,46,17,470	5,46,17,470

(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, 2020		March 31, 2019	
	Number of shares	% holding	Number of shares	% holding
Pradipkumar Keshavlal Desai	22,07,380	40.42%	13,60,880	24.92%
Lataben P Desai	-	-	8,46,500	15.50%
Bharti Patel	5,75,333	10.53%	5,75,333	10.53%
Viral Pradipkumar Desai	6,88,015	12.60%	5,67,527	10.39%

(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 2015-16	18,14,253
In FY 2016-17	-
In FY 2017-18	-
In FY 2018-19	-
In FY 2019-20	-

(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, 2020	March 31, 2019
Capital Redemption Reserve	1,81,42,531	1,81,42,530
Capital Reserve	42,05,775	42,05,775
Retained earnings	9,88,75,870	17,63,61,704
Total reserves and surplus	12,12,24,176	19,87,10,010
(i) Capital Redemption Reserve	March 31, 2020	March 31, 2019
Opening balance	1,81,42,531	1,81,42,530
Closing balance	1,81,42,531	1,81,42,530
(ii) Capital Reserve	March 31, 2020	March 31, 2019
Opening balance	42,05,775	42,05,775
Closing balance	42,05,775	42,05,775
(iii) Retained earnings	March 31, 2020	March 31, 2019
Opening balance	17,63,61,704	29,93,11,989
Net profit for the period	(7,76,95,698)	(12,17,48,359)
transition opening Impact of Implementation of Ind AS 116 Leases	(1,03,678)	
Items of other comprehensive income recognised directly in retained		
Remeasurements of post-employment benefit obligation, net of tax	3,13,542	(12,01,926)
Transfer to retained earnings of FVOCI equity investments, net of tax	-	-
Closing balance	9,88,75,870	17,63,61,704

Note 13: Financial liabilities

13(a) Non-current borrowings					
	Maturity date	Terms of repayment	Coupon/ Interest rate	March 31, 2020	March 31, 2019
Secured					
Term loans					
From banks	15th February, 2022	60 Months	8.35	7,35,84,474	51,30,615

29th February, 2024	Repayment starts after end of one year and will be paid equal monthly instalment. 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%	-	8,16,58,883
Loan from Director	Based on Mutual Agreement	Nil	1,45,00,000	-
Total non-current borrowings			8,80,84,474	8,67,89,498
Less: Current maturities of long-term debt (included in note 13(b))			78,53,887	1,36,19,587
Less: Interest accrued (included in note 13(b))			3,746	15,094
Non-current borrowings (as per balance sheet)			8,02,26,841	7,31,54,817

13(a) Current borrowings					
	Maturity date	Terms of repayment	Coupon/ Interest rate	March 31, 2020	March 31, 2019
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 is varies from 8.50% to 9.40%.	7,47,85,230	13,64,44,402
Total current borrowings				7,47,85,230	13,64,44,402
Less: Interest accrued (included in note 13(b))				66,254	1,95,126
Current borrowings (as per balance sheet)				7,47,18,976	13,62,49,276

13(b) Other financial liabilities		
	March 31, 2020	March 31, 2019
Non-current	-	-
Total other non-current financial liabilities	-	-
Current		
Current maturities of long-term debt	72,67,255	1,36,19,587
Interest accrued	5,90,378	2,10,220
Interest accrued on current borrowings	3,66,962	2,60,000
Capital creditors	10,35,621	15,88,546
Security Deposits	12,78,000	1,50,000
Retention monies/Deposit received and others	2,94,580	2,94,579
Employee benefit payable	72,83,410	44,75,995
Total other current financial liabilities	1,81,16,206	2,05,98,927
13(c) Trade payables		
	March 31, 2020	March 31, 2019
Non-current	-	-
Total non-current Trade Payable	-	-
Current		
Trade payables	1,04,62,363	62,12,437
Total trade payables	1,04,62,363	62,12,437

There are no dues to Micro, small and medium enterprises as at March 31, 2020 and March 31, 2019. 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, 2020			March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Provision for employee benefits						
Gratuity	64,235	24,33,828	24,98,063	53,090	22,21,295	22,74,385
Current Obligation of Leave Encashment	3,69,293	11,30,713	15,00,006	1,17,944	12,73,130	13,91,074
Super Annuation Fund	19,57,500	-	19,57,500	16,20,000	-	16,20,000
Bonus	32,105	-	32,105	13,88,540	-	13,88,540
Impairment Provision for Investment	2,36,72,559	-	2,36,72,559	1,83,10,183	-	1,83,10,183
other	14,35,967	-	14,35,967	29,76,885	-	29,76,885
Total	2,75,31,659	35,64,541	3,10,96,200	2,44,66,642	34,94,425	2,79,61,067

Note 15: Other current liabilities

	March 31, 2020	March 31, 2019
Statutory tax payables	6,43,029	8,66,722
Advances for capital	1,15,00,000	-
Others	19,64,978	5,21,540
Total other current liabilities	1,41,08,007	13,88,262

Note 16: Revenue from Operations

	March 31, 2020	March 31, 2019
Sale of products	9,37,91,674	23,51,38,740
Fair Value of Biological Assets	-	62,59,605
Other operating revenue	-	-
Total revenue from continuing operations	9,37,91,674	24,13,98,345

Note 17: Other income and other gains/(losses)

	March 31, 2020	March 31, 2019
Rental income	26,94,500	2,02,828
Dividend income from equity investments designated at fair value through other comprehensive income (i)	-	-
Unrealised Gain through P&L A/C (Investments)	82,027	-
Interest income from financial assets at amortised cost	5,54,049	35,29,888
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)	-	-
Net gain on sale of investments	88,52,597	21,00,094
Financial Guarantee Fees Income	-	-
Exchange Rate Gain	-	-
Balances Written Back	10,20,694	-
Excess Provision for Tax	-	26,67,985
Government Subsidy	98,21,244	-
Other items	19,07,014	29,44,176
Total other income	2,49,32,125	1,14,44,971

Note 18(a): Cost of materials Consumed

	March 31, 2020	March 31, 2019
Raw materials at the beginning of the year	19,16,827	1,54,73,880
Add: Purchases	35,52,931	16,53,82,321
Less: Raw material at the end of the year	10,51,460	19,16,827
Total cost of materials consumed	44,18,298	17,89,39,374

Note 18(b): Purchases of stock-in-trade

	March 31, 2020	March 31, 2019
Add: Purchases	2,49,19,214	74,48,237
Total cost of materials consumed	2,49,19,214	74,48,237

Note 18(c): Changes in inventories of work-in-progress, stock-in-trade and finished goods

	March 31, 2020	March 31, 2019
Opening balance		
Work-in progress	1,97,690	64,80,590
Finished goods	2,44,94,463	1,30,98,118
Traded goods	82,24,171	88,25,823
Total opening balance	3,29,16,324	2,84,04,531
Closing balance		
Work-in progress	-	1,97,690
Finished goods	70,46,655	2,44,94,463
Traded goods	68,72,127	82,24,171
Total closing balance	1,39,18,782	3,29,16,324
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	1,89,97,542	(45,11,793)

Note 19: Employee benefit expense

	March 31, 2020	March 31, 2019
Salaries, wages and bonus	3,30,42,568	5,01,82,083
Contribution to provident fund	11,50,286	16,97,156
Leave compensation	25,183	2,95,460
Post-employment benefits expenses	2,06,047	4,74,758
Staff welfare expenses	6,82,892	2,86,701
Total Employee benefit expense	3,51,06,976	5,29,36,158

Note 20: Finance costs

	March 31, 2020	March 31, 2019
Interest on debts and borrowings	1,99,45,025	1,88,81,903
Finance costs expensed in profit or loss	1,99,45,025	1,88,81,903

Note 21: Depreciation and amortisation expense

	March 31, 2020	March 31, 2019
Depreciation of property, plant and equipment	3,44,08,192	3,50,78,440
Amortisation of intangible assets	98,777	11,43,260
Total Depreciation and amortisation expense	3,45,06,969	3,62,21,700

Note 22: Other expenses

	March 31, 2020	March 31, 2019
Consumption of stores and spares	79,19,647	57,89,657
Clearing and Forwarding Expenses	13,25,795	61,21,021
Hardening Expenditure	1,35,313	5,32,113
Nursery and Laboratory Expenses	70,76,064	1,04,70,733
Labour Charges	1,95,12,479	94,50,995
Plant and machinery	9,72,547	9,24,889
Buildings	8,04,013	13,50,582
Others	4,00,479	3,83,356
Freight	5,67,829	32,18,099
Telephone and communication charges	3,52,613	7,73,795
Water and electricity charges	58,77,376	59,10,320
Rental charges	-	76,29,475
Rates and taxes	2,94,777	4,21,478
Legal and professional fees (Refer Note 22(a))	50,53,452	66,01,525
Travel and conveyance	23,91,261	38,70,296
Insurance	5,86,576	7,09,212
Printing and stationery	1,88,714	3,50,325
Debit Balance Written back	92,932	-
Exhibition and Selling Expenses	5,195	12,65,850
Security Expenses	16,52,697	16,86,202
Membership Fees	27,031	27,840
Selling Expenses	11,98,003	44,66,651
Loss on sale of fixed assets	-	7,17,854
Fluctuation loss	60,045	1,03,510
Fair value loss / Opening gain reversed on Biological Assets	82,25,504	-
Miscellaneous expenses	33,66,795	22,89,310
Total other expenses	6,80,87,137	7,50,65,088

Note 23: Income tax expense

	March 31, 2020	March 31, 2019
(a) Income tax expense		
<i>Current tax</i>	-	-
Current tax on profits for the year	-	-
Total current tax expense	-	-
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets	(50,69,992)	47,43,519
(Decrease) increase in deferred tax liabilities	(14,20,648)	10,72,662
Total deferred tax expense/(benefit)	(64,90,640)	58,16,181
Income tax expense	(64,90,640)	58,16,181

Note 24: Commitments and Contingent Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Commitments	80,00,000	-
Contingent Liability		
Law suite by previous employee in subsidiary	8,00,215	-
Corporate Guarantee given on behalf of Subsidiary Company	14,50,00,000	14,50,00,000
Total	15,38,00,215	14,50,00,000

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:	March 31, 2020	March 31, 2019
Net debt	18,86,42,659	21,08,59,665
Total equity	13,35,35,535	21,94,40,097
Net debt to equity ratio	141.27%	96.09%

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, 2020	March 31, 2019
(a) Basic earnings per share		
i. Profit (loss) attributable to equity shareholders(basic)	(8,61,23,557)	(14,05,63,715)
ii. Weighted average number of equity shares (basic)	54,61,747	54,61,747
Total basic earnings per share attributable to the equity holders of the company	(15.77)	(25.74)
(b) Diluted earnings per share		
i. Profit (loss) attributable to equity shareholders(basic)	(8,61,23,557)	(14,05,63,715)
ii. Weighted average number of equity shares (basic)	54,61,747	54,61,747
Total diluted earnings per share attributable to the equity holders of the company	(15.77)	(25.74)

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, 2020	March 31, 2019
Balance at the beginning of the year	22,74,385	24,82,642
Current service cost	5,41,627	10,28,215
Interest cost	1,75,508	1,92,744
Actuarial (gains) losses recognised		
- demographic	(1,04,446)	-
- experience adjustments	(5,17,220)	(14,39,985)
- Financial Assumption adjustment	1,28,210	10,769
Balance at the end of the year	24,98,064	22,74,385

B. Expense recognised in profit or loss

	March 31, 2020	March 31, 2019
Current service cost	5,41,627	10,28,215
Interest on defined benefit Liability	1,75,508	1,92,744
	7,17,135	12,20,959

C. Remeasurements recognised in other comprehensive income

	March 31, 2020	March 31, 2019
Actuarial (gain)/loss on Obligation for the period	(4,93,456)	(14,29,216)
	(4,93,456)	(14,29,216)

D. Actuarial assumptions

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

	March 31, 2020	March 31, 2019
Discount rate	6.84% to 7.79%	7.69% to 7.78%
Future salary growth	8% to 10%	8% to 10%
Attrition rate	1% to 5%	1% to 1.99%
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

E. 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, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1,43,640)	1,64,859	(1,56,283)	1,81,118
Future salary growth (1% movement)	1,15,924	(99,284)	1,24,075	(1,04,561)
Attrition rate (1% movement)	(27,930)	31,678	(25,763)	29,184

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 at 31 March 2020 and 31 March 2019. 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, 2020

	On Demand	in next 12 months	>1 year <5	> 5 year	Total
Borrowings	15,49,45,817	7,47,18,976	8,02,26,841	-	15,49,45,817
Trade payables	1,04,62,363	1,04,62,363	-	-	1,04,62,363
Other financial liabilities	1,81,16,206	1,81,16,206	-	-	1,81,16,206
Total	18,35,24,386	10,32,97,545	8,02,26,841	-	18,35,24,386

Year ended March 31, 2019

	On Demand	in next 12 months	>1 year <5	> 5 year	Total
Borrowings	20,94,04,093	13,62,49,276	7,31,54,817	-	20,94,04,093
Trade payables	62,12,437	62,12,437	-	-	62,12,437
Other financial liabilities	2,05,98,927	2,05,98,927	-	-	2,05,98,927
Total	23,62,15,458	16,30,60,641	7,31,54,817	-	23,62,15,458

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, 2020		March 31, 2019	
	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 in mutually agreeable terms.

	March 31, 2020	March 31, 2019
Total rental expense relating to operating leases	-	76,29,475

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	
		Director in Subsidiary	
		(w.e.f. February 14, 2020)	Partner in Span Diagnostics LLP Subsidiary
		(w.e.f. March 15, 2016)	Partner in Aranya Agri Biotech LLP Subsidiary
		(up to March 29, 2019)	Partner in Dryfruit Factory LLP Subsidiary
		(w.e.f. March 15, 2016)	Partner in Biospan Scientific LLP Subsidiary
(w.e.f. February 14, 2020)	Partner in Desai Farmharvest LLP Subsidiary		

2	Mr. Paras Desai		Chief Financial Officer
			Director in Subsidiary
		(w.e.f. February 14, 2020)	Partner in Span Diagnostics LLP Subsidiary
		(w.e.f. March 29, 2019)	Partner in Dryfruit Factory LLP Subsidiary
		(w.e.f. December 20, 2018)	Partner in Biospan Scientific LLP Subsidiary
		(w.e.f. May 17, 2019)	Partner in Aranya Agri Biotech LLP Subsidiary
3	Ms. Samiksha Kansara		Company Secretary
4	Mr. Symon Fry	(up to March 08, 2019)	Director
5	Mr. Greg Cochran	(w.e.f. March 08, 2019)	Director
6	Mr. Urmil Rawal		Partner in Dryfruit Factory LLP Subsidiary
7	Mr. Hardik Shah	(up to March 29, 2019)	Partner in Dryfruit Factory LLP Subsidiary
8	Mr. Paresh Patel	(up to May 17, 2019)	Partner in Aranya Agri Biotech LLP Subsidiary
		(up to May 17, 2019)	Partner in Desai Farmharvest 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. Symon Fry (Up to March 08, 2019)	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.

Name of Personnel	
(1) Ms. Sujata V Desai	(2) Dr. Pradip K Desai

D. Transactions with related parties during the year ended

S. No.	Name of the related party	Nature of transactions	March 31, 2020	March 31, 2019
1	Mr. Viral Desai	Director Remuneration	43,70,857	51,75,000
		Rent	6,30,053	5,40,617
2	Mr. Minesh Patel (up to August 09, 2018)	Salary	-	1,33,901
		Loan repayment	-	5,000
3	Ms. Samiksha Kansara	Salary	2,58,000	1,92,000
4	Ms. Sujata Desai	Salary	27,65,353	27,02,735
		Rent	6,30,053	6,48,915
5	Dr. Pradip K Desai	Sale of Fixed Assets	-	34,68,917
		Director Remuneration	5,85,982	-
		Unsecured Loan given to Company	1,45,00,000	-
		Advance received	1,15,00,000	-
6	Mr. Bimal Desai	Salary	-	62,42,278
7	Mr. Urmil Raval	Salary	14,59,154	11,53,252
8	Mr. Hardik Shah (up to 29 march, 2019)	Salary	-	11,30,648
		Capital Repayment	-	1,000
9	Mr. Paresh Patel * (up to May 17, 2019)	Salary	11,19,962	56,36,400
10	Mr. Paras Desai (w.e.f. August 09, 2018)	Salary	34,16,058	42,67,758

E. Balances outstanding

S. No.	Name of the related party	Nature of balances	March 31, 2020	March 31, 2019
1	Mr. Viral Desai	<u>Payable</u>		
		Director Remuneration	35,99,449	14,08,757
		<u>Receivable</u>		
		Rent Deposit	1,51,000	1,51,000
2	Ms. Samiksha Kansara	<u>Payable</u>		
		Salary	21,300	15,800
3	Ms. Sujata Desai	<u>Payable</u>		
		Salary	8,71,136	2,05,665
		<u>Receivable</u>		
		Rent Deposit	1,00,000	1,00,000
4	Mr. Urmil Raval	<u>Payable</u>		
		Capital	1,000	1,000
		Salary	29,698	1,01,794
		<u>Receivable</u>		
		Other Receivable	-	1,80,000
5	Mr. Hardik Shah (up to 29 march, 2019)	<u>Payable</u>		
		Salary	2,64,586	2,64,586

6	Mr. Paresh Patel * (up to May 17, 2019)	Salary and Other Payable	7,613	10,31,653
7	Mr. Paras Desai (w.e.f. August 09, 2018)	Salary and Other Payable	4,55,958	2,90,604
8	Dr. Pradip Desai	<u>Payable</u>		
		Director Remuneration	1,37,042	-
		<u>Payable</u>		
		Unsecured loan	1,45,00,000	
		Other Advances	1,15,00,000	-

* Note: Settlement of Rs. 8,00,215/- is under subjudice and not provisioned in the books.

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, 2020 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	10,07,30,926	-	10,07,30,926	-	-	10,07,30,926	10,07,30,926
ii. Trade receivables	1,01,04,981	-	-	-	-	1,01,04,981	-
iii. Cash and cash equivalents	34,43,307	-	-	-	-	34,43,307	-
iv. Bank balances other than (iii) above	12,83,649	-	-	-	-	12,83,649	-
v. Others	65,83,150	-	-	-	-	65,83,150	-
Total	12,21,46,013	-	10,07,30,926	-	-	12,21,46,013	10,07,30,926
Liabilities:							
Non-Current							
i. Borrowings	8,02,26,841	-	-	-	-	8,02,26,841	-
Current liabilities							
i. Borrowings	7,47,18,976	-	-	-	-	7,47,18,976	-
ii. Trade payables	1,04,62,363	-	-	-	-	1,04,62,363	-
iii. Other financial liabilities	1,81,16,206	-	-	-	-	1,81,16,206	-
Total	18,35,24,386	-	-	-	-	18,35,24,386	-

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	16,36,16,059	-	16,36,16,059	-	-	16,36,16,059	16,36,16,059
ii. Trade receivables	1,45,55,301	-	-	-	-	1,45,55,301	-
iii. Cash and cash equivalents	1,89,02,195	-	-	-	-	1,89,02,195	-
iv. Bank balances other than (iii) above	81,007	-	-	-	-	81,007	-
v. Others	84,04,903	-	-	-	-	84,04,903	-
Total	20,55,59,464	-	16,36,16,059	-	-	20,55,59,464	16,36,16,059

Liabilities:							
Non-Current							
i. Borrowings	7,31,54,817	-	-	-	-	7,31,54,817	-
Current liabilities							
i. Borrowings	13,62,49,276	-	-	-	-	13,62,49,276	-
ii. Trade payables	62,12,437	-	-	-	-	62,12,437	-
iii. Other financial liabilities	2,05,98,927	-	-	-	-	2,05,98,927	-
Total	23,62,15,458	-	-	-	-	23,62,15,458	-

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2020:

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	31-Mar-20	10,07,30,926	-	-	10,07,30,926
Total		10,07,30,926	-	-	10,07,30,926

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	31-Mar-19	16,36,16,059	-	-	16,36,16,059
Total		16,36,16,059	-	-	

Note 32 : Expenditure in foreign currency

Particulars	March 31, 2020	March 31, 2019
Expenditure in foreign currency	-	3,40,803

Note 33 : Exceptional items and other notes

In case of subsidiary Aranya Agri Biotech LLP, which had accumulated losses of Rs.6.49 Crores during the preceding 3 years and Rs. 4.25 crore in the current year up to March 31, 2020. Hence the management had decided to impair the investment and Rs. 0.71 Crores were provided in the books of the company and were treated as an exceptional item during the year. Notwithstanding the above, the financial results of the LLP have been prepared on going concern basis as management has initiated exercise to reorganize business structure which may help the company to establish profitable operation. In case of subsidiary Biospan Scientific LLP which has accumulated losses of Rs.1.57 Crores as at 31st March 2019, resultantly there was substantial erosion in the net worth of the LLP. Hence the management had decided to impair the investment and Rs. 1.83 Crores were provided in the books of the company and had treated as an exceptional item during the year 2018-19. Notwithstanding the above, the financial results of the LLP had been prepared on going concern basis as management is exploring the possibilities to revive the LLP on its own or by entering in to business tie-ups and it might be able to establish profitable operation. 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.

In case of another subsidiary Biospan Contamination Control Solution Pvt. Ltd as at March 31, 2020, the subsidiary company had accumulated losses of Rs.2.95 Crores during the previous year and as of that date, the subsidiary company's total liabilities exceeded its total assets by Rs. 2.85 Crores. Notwithstanding the above, the financial results of the subsidiary company have been prepared on going concern basis as management believes that the company would be able to establish profitable operation and the losses incurred is on account of temporary reasons. Further, management is confident that with appropriate product license, the company will achieve adequate revenue and negative net worth would turn positive by 2023.

Note 34 : Earnings in Foreign Currency

Particulars	March 31, 2020	March 31, 2019
Finished Goods	-	40,324

Note 35 : Value of imports calculated on CIF Basis

Particulars	March 31, 2020	March 31, 2019
Traded Goods, Raw material and biological assets	24,78,553	2,68,79,549

Note 36 : Imported and Indigenous material consumed

Particulars	March 31, 2020	March 31, 2019
Imported	24,78,553	2,68,79,549
Indigenous	2,68,58,959	15,95,08,061
Total	2,93,37,512	18,63,87,611

Note 37: Segment reporting

Particulars	March 31, 2020	March 31, 2019
Segment Revenue		
- Cashew processing	8,01,77,512	19,37,55,000
- Tissue Culture	1,94,17,174	3,69,93,000
- Trading	74,11,092	1,39,03,000
Gross Revenue from Operations from Segments	10,70,05,778	24,46,51,000
Less : Inter Segment Revenue	-	-
Net Revenue from Operations from Segments	10,70,05,778	24,46,51,000
Segment Results		
Profit / (Loss) before Interest and tax		
- Cashew processing	(3,80,51,112)	(5,34,62,000)
- Tissue Culture	(4,53,05,043)	(3,31,30,000)
- Trading	(1,01,63,864)	(1,74,39,000)
- Unallocable Income over expenses like (Including HO)	9,05,817	(3,07,17,351)
Total Profit / (Loss) before Tax	(9,26,14,202)	(13,47,48,351)
Segment Assets		
- Cashew processing	16,31,56,530	16,83,48,938
- Tissue Culture	3,77,11,006	5,34,95,033
- Trading	1,19,51,672	1,14,12,113
- Unallocable	18,27,97,655	25,94,44,692
Total Assets	39,56,16,863	49,27,00,776
Segment Liability		
- Cashew processing	12,81,96,472	12,39,58,834
- Tissue Culture	3,39,71,551	5,17,05,211
- Trading	3,77,19,733	2,63,27,049
- Unallocable	6,20,80,831	7,13,64,998
Total Liability	26,19,68,587	27,33,56,092

Note 38 : 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
Dryfruit 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	(16,55,140)	8,94,187	25,43,148	-	-
Biospan Contamination Control Solutions Pvt. Limited	10,00,000	(2,95,40,312)	77,30,235	3,62,70,547	70,16,681	(1,10,50,341)
Aranya Agri Biotech LLP	11,11,37,970	(10,73,97,515)	3,77,11,006	3,39,70,551	1,82,29,798	(4,53,05,043)
Dryfruit Factory LLP	19,32,14,555	(15,82,53,497)	16,31,56,530	12,81,95,473	6,81,71,543	(3,80,51,112)
Biospan Scientific LLP	1,76,05,384	(1,48,31,133)	42,21,437	14,47,186	31,72,470	8,86,477
Span Diagnostic LLP	1,00,000	(70,404)	53,446	23,850	-	(31,546)
Desai Farmharvest LLP	15,00,000	(2,15,661)	13,06,939	22,600	-	(12,364)

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	5.32%	(49,26,590)	91.06%	43,72,14,770
Subsidiaries				
Span Diagnostic SA (PTY) Limited	0.00%	-	(0.35%)	(16,61,319)
Biospan Contamination Control Solutions Pvt. Limited	11.93%	(1,10,50,341)	0.78%	37,39,455
Aranya Agri Biotech LLP	42.57%	(3,94,28,722)	0.37%	17,90,822
Dryfruit Factory LLP	41.09%	(3,80,51,112)	7.28%	3,49,60,057
Biospan Scientific LLP	(0.96%)	8,86,477	0.58%	27,73,251
Span Diagnostic LLP	0.03%	(31,546)	0.01%	28,596
Desai Farmharvest LLP	0.01%	(12,364)	0.27%	12,83,339

Note 39 : Lease accounting as per Ind AS 116

Effective April 1, 2019, the Company has adopted Ind AS 116, Leases and applied the standard to its Leases using the modified retrospective approach. Accordingly, the Company has not restated comparative information.

This has resulted in recognising a lease liability measured at present value of the remaining lease payments and a corresponding Right-of-Use (ROU) asset as if the lease has been commenced w.e.f. 1st April 2019. The Company discounted remaining lease payments using the lessee's incremental borrowing rate as at 1st April 2019. The Company has also elected not to apply the requirements of Ind AS 116 to short term leases and leases for which underlying asset is of low value. In the results for the current period, the nature of expenses in respect of Operating lease has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability.

Note 40 : In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentive including additional depreciation and accumulated depreciation. The Company is evaluating this option and continues to recognise the taxes on income for the quarter and half year ended 30th September 2019 as per the earlier provisions.

Note 41 : CoViD-19 pandemic is an unprecedented health situation in the world, which has swept almost all the countries under its effect. Span Divergent Limited (SDL) is a Holding Company and it has its investment in various businesses run by the subsidiary companies/LLPs. During lockdown period, corporate office Staff worked as per "work from home" policy. The Corporate office of the Company resumed with minimum staff as per the approvals/clearances from the Government of Gujarat after the Lockdown norms were relaxed. The Company is complying with all the requirements related to Social Distancing, mandatory to wear face mask and have proper sanitizations frequently.

A Brief note about business status of each of its subsidiary company is given below;

Dryfruit Factory LLP (DFFL): Span has the highest amount of investment in this venture. DFFL is involved in processing of Raw Cashew Nuts. The revenue of DFFL comes from the Service Income in form of Tolling Charges. As the Tolling Contract is for the Long Term, DFFL did not face any adverse situation in generating revenue and the Tolling Operation was continued till the nationwide lock down was declared with substantial pending Work in Progress inventory and DFFL expects fresh stock of Raw Cashew Nuts for processing, once the lock down situation ends. However, pandemic have had an adverse impact on the revenue, as the operations were disrupted and in the coming months the effect of pandemic and lockdown is expected to be felt substantially as it is expected to be difficult to get plant run on full capacity in coming months as originally envisaged. As such there were plans on running the operations on 16MT from April 2020 onwards, which will be delayed. Under these circumstances, there is likely hood of achieving breakeven level sales turnover with significant delay as compared to original plan.

Aranya Agribiotech LLP (AABL): AABL is involved in Plant Tissue Culture business which falls into the Agriculture Activities. The cycle time for the business operation is 13-15 months and agriculture produce in form of Hardened Plants are ready to be sold between the month of June and September. At the end of March 2020, all the plants were in the laboratory undergoing growth cycle. Also, as part of alternate strategy of manufacturing as a trial to reduce cost, some plants were transferred to another company for manufacturing (Manufacturing was outsourced).

The onset of CoViD-19 during the period will have an impact on the operation outsourced to the Lab situated at Maharashtra. Due to Lock down, the work was stopped and there will be higher mortality than estimated in the lab as well as in the hardening. Due to this, LLP will have an adverse impact of up to 50% of revenue in top line.

It is also expected that by the time the plants are ready to sale during the month between June-20 and September-20, the CoViD-19 pandemic would have been brought under reasonable control and business operation would assume normalcy. In fact, LLP has orders in hand and shall be shipped during the season as soon as the plants become ready and transporters resume operation ensuring timely delivery commitments.

Further as a part of restructuring, AABL has already decided to down size its business operation, by focusing on high value unique products developed by its in-house R & D and getting out of large-scale production of low margin Banana Plants. This further reduces the vulnerability of the business to any uncertainty.

New R&D laboratory is in process of establishment at Vadodara, Gujarat. It is expected that after lockdown the operation shall be resumed.

Biospan Contamination Control Solutions Private Limited (BCCSPL): This is a joint venture company between SDL and Micron Clean UK, engaged in trading Clean Room products to large sized Pharmaceutical and Biotech Companies. BCCSPL has been able to supply all the pending orders till the nation-wide lockdown was announced on 24th March 2020. Due to very nature of the products, (being protective gears and disinfectants) the demand of such products is expected to increase in future and outlook for the business is very optimistic. However, on the other side, the company is expecting to face challenge in terms of supply of imported products and increase in cost due to the increase in global demand of the imported products.

Biospan Scientific LLP (BSLLP): No significant business is carried out under this subsidiary LLP and there was no major impact of CoViD-19 on the business of BSLLP as of 31-3-2020. The business is expected to be carried out unaffected during the CoViD-19 pandemic, should it continue further, as the products traded by BSLLP falls under the essential products during pandemic. However, BSLLP is expecting to experience challenges in terms of supply and cost increase of imported products.

Span Diagnostics LLP: No business activity is carried out in this LLP.

Desai Farmharvest LLP: No business is actively carried out in this LLP.

The Operational Activities have been commenced gradually in a way according to guideline issued by the Government with face mask; face cover, proper sanitisation of work place and social distancing. The Company and its subsidiaries have taken proper steps to ensure smooth functioning of operations. As per the government guidelines, all companies operation shall be scaled up. Though there may be substantial impediments in scaling up of in terms of availability of workmen due to migration of workmen in past few weeks.

Supply Chain/Liquidity Position and Ability to service debt: CoViD-19 pandemic has halted the operations worldwide and there might be supply disruptions, if the pandemic is prolonged. All companies under the group are likely to continue to face interruptions in business with high degree of liquidity crunch and mounting of losses and foresee difficulties in servicing debts. However, recently announced stimulus package by government, if implemented timely and in right spirit along with some relaxation by RBI in credit policy may help SDL put its businesses on track without unsurmountable difficulties.

Internal Finance Control: The control are in place, as till 20th March 2020, The business processes were carried out normally and during the lock down period; businesses were transacted as per Internal Finance Control system in place, and authority metrics under controlled environment.

The company is constantly assessing the future impact of CoViD-19 on other aspects, operations, profitability, liquidity position, demand for its products/service and it will keep updating on these issues. Company is making constant efforts to mitigate its effect.

Note 42 : 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

Date : July 10, 2020

Place: Ahmedabad

Paras Desai
CFO

Date : July 10, 2020

Place: Surat

Samiksha Kansara
Company Secretary



SPAN DIVERGENT LIMITED

(Formerly Span Diagnostics Limited)

Corporate Office: 9th Floor, 902-904, Rajhans Bonista

Behind Ram Chowk Temple, Ghod Dod Road, Surat - 395007, INDIA

Phone: +91 261 2663232

Email: secretarial@span.co.in , Website: www.span.in