

Span Diagnostics Ltd.



SPAN

Report



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**20th Annual Report
1999-2000**



Span Diagnostics Ltd.

BOARD OF DIRECTORS	: Dr. Pradip K. Desai <i>Chairman & Whole-time Director</i> Shri Veeral P. Desai <i>Executive Director</i> Smt. Lata P. Desai <i>Director</i> Shri P. R. Gandhi <i>Director</i> Shri Sanjay N. Mehta <i>Director</i> Dr. Suresh D. Desai <i>Director</i> Shri Shirish R. Mehta <i>Director</i> Shri C. R. Gandhi <i>Director</i> Dr. S. P. Amin <i>Director</i> Dr. N. S. Patel <i>Director</i> Shri. S. G. Kazi <i>Director</i>
COMPANY SECRETARY	: Mr. Pankaj Ajmera
SOLICITORS	: Roshan Desai & Co., <i>Solicitors & Advocates</i>
BANKERS	: State Bank of India <i>Specialised Commercial Branch,</i> <i>Kiran Chambers, Opp. J.K. Tower,</i> <i>Ring Road, Surat - 395 002.</i>
AUDITORS	: M/s. Y. B. DESAI & ASSOCIATES <i>Chartered Accountants</i> <i>Surat.</i>
HEAD OFFICE & REGISTERED OFFICE	: 173-B, New Industrial Estate, <i>Road No. 6-G, Udyognagar,</i> <i>Udhna-394210 (Surat) India.</i>
PLANT	: 1. Plot No. 336, 338, 340, Road No. 3, 2. 173-B, New Industrial Estate, <i>G.I.D.C., Sachin-394 230.</i> <i>Road No. 6-G, Udyognagar,</i> <i>Surat - India.</i> <i>Udhna-394 210 (Surat) India.</i>
SHARE TRANSFER AGENTS	: IIT Corporate Services Limited. <i>IIT House, Off. M. Vasanji Road,</i> <i>Opp. Vazir Glass, Near J. B. Nagar,</i> <i>Andheri (East), Mumbai-400 059.</i>
BRANCH OFFICES	: 1. Kohinoor Complex 'C' Wing, 3. 60/2, E.S.I. Hospital Road, <i>Near Vardhman Industrial Estate,</i> <i>Brindaban Garden, Sahibabad,</i> <i>Western Express Highway,</i> <i>Dist : Ghaziabad-201 005.</i> <i>Dahisar, (East), Mumbai-400 068.</i> 2. 23 Mallikarjuna Swamy Temple Road, 4. AE-335, Salt Lake City, Sector-1, <i>Natkalpa Circle, Basavanagudi,</i> <i>Calcutta-700064.</i> <i>Bangalore - 560 004.</i>

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FINANCIAL HIGHLIGHTS

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
	(Rs. in lacs)														
OPERATING RESULTS															
Sales & Other Income	1690.30	1907.33	1784.11	1417.44	1347.25	1250.08	1006.43	811.02	624.75	521.20	424.93	322.67	268.19	208.63	180.64
Profit/(Loss) before Depreciation & Investment Allow. Reserve	(30.68)	59.66	100.48	93.59	5.68	110.46	110.30	85.50	40.98	53.18	34.74	32.71	28.60	20.42	16.71
Depreciation	50.84	49.21	46.93	41.75	36.88	35.60	31.01	27.98	9.93	9.73	7.48	7.19	13.73	7.93	6.41
Investment Allow. Reserve	---	---	---	---	---	---	---	---	---	---	---	---	---	3.05	2.85
Tax	---	2.50	10.00	7.00	---	26.00	37.00	22.00	17.30	23.00	11.00	7.70	5.40	4.10	3.00
Profit/(Loss) after tax	(81.52)	7.95	43.55	44.84	£ (31.20)	48.86	42.29	35.52	13.75	20.45	16.26	17.82	9.47	5.37	4.45
Dividend	---	---	18.00	15.00	15.00	22.25	7.16	5.96	3.51	3.51	3.51	3.51	3.16	2.34	1.56
Corporate Dividend Tax	---	---	1.80	1.50	---	---	---	---	---	---	---	---	---	---	---
Retained Profits	---	7.95	23.75	28.34	---	26.61	35.13	29.56	10.24	15.94	12.75	14.31	6.31	3.03	2.89
SOURCES AND APPLICATION OF FUNDS															
Source of funds															
Share Capital	300.01	300.01	300.01	300.01	300.01	300.01	59.63	59.63	39.00	19.50	19.50	19.50	19.50	15.60	15.60
Reserves and surplus	390.07	475.91	472.60	452.35	430.55	483.25	338.04	154.07	64.75	74.04	56.60	43.81	22.65	16.35	10.10
Loans	561.71	556.85	432.39	405.26	374.68	331.92	377.13	329.53	137.75	116.74	106.40	86.48	67.54	70.28	59.42
FUNDS EMPLOYED	1251.79	1332.77	1205.00	1157.62	1105.24	1115.18	774.80	543.23	241.50	210.28	182.50	149.79	109.69	102.23	85.12
Fixed Assets (Net)	666.35	679.39	683.74	686.15	599.24	481.96	483.79	322.14	114.79	90.28	74.31	64.53	40.74	49.95	43.06
Investments	0.28	0.28	0.18	0.18	0.10	0.08	0.06	0.11	0.10	0.10	0.09	0.09	0.07	0.07	0.02
Current Assets (Net)	585.16	653.10	521.08	471.29	505.90	633.14	290.95	220.98	126.61	119.90	108.10	85.17	68.88	52.21	42.04
NET ASSETS EMPLOYED	1251.79	1332.77	1205.00	1157.62	1105.24	1115.18	774.80	543.23	241.50	210.28	182.50	149.79	109.69	102.23	85.12
Debt-Equity Ratio	0.81:1	0.72:1	0.56:1	0.54:1	0.51:1	0.42:1	0.95:1	1.54:1	1.33:1	1.25:1	1.40:1	1.36:1	1.60:1	2.20:1	2.29:1
AMOUNT ON FACE VALUE OF Rs.10/-															
Earnings Per Share	---	0.26	1.45	1.49	---	2.65	- 7.09\$	6.0	3.5 #	10.5	8.3	9.1	4.9	3.4	2.9
Dividend	---	---	0.60	0.50	0.50	1.20 +	1.20\$	1.0	0.9 #	1.8	1.8	1.8	*1.8	1.5	1.0
Book Value	23	26	26	25	24	26	67 \$	36	27 #	48	39	32	22	21	17

* Pro-rata on Right Share Issue

On enlarged Capital after issue of Bonus shares in the ratio of 1:1

\$ on sub-divided share of Rs.10/- each.

- Annualised

+ Prorata On enlarged Capital, and after issue of Bonus shares in the ratio of 2:1

£ Inclusive of Extra Ordinary item of Income of Rs. 21.14 lacs.



Annual Report 1999-2000

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of Shareholders of SPAN DIAGNOSTICS LTD. will be held at Registered Office at Plot No 173-B, New Industrial Estate, Road No.6-G, Udhna Udyognagar, Udhna - 394 210. (Surat) on Saturday, the 23rd day of September 2000 at 11.00 A.M. to transact the following business :-

1. To consider and adopt the audited Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To appoint Director in place of Dr.S.D.Desai who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Director in place of Dr. N. S. Patel who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Director in place of Shri.S.G.Kazi who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. Y.B.Desai and Associates, Chartered Accountants are eligible for reappointment.

By Order of the Board

Registered Office :

173-B, New Industrial Estate,
Road No. 6-G, Udhna -394 210.
Dated : 29th July, 2000.

(Pankaj Ajmera)
Secretary

Notes:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY DULY COMPLETED MUST BE RETURNED SO AS TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.
- (b) The Register of Members and the share transfer books of the company will remain closed from 11th September, 2000 to 23rd September, 2000 both days inclusive.
- (c) Members who are holding shares in identical order of names in more than one account are requested to intimate to the IIT Corporate Services Limited, IIT House, Off. M.Vasanji Road, Opp. Vazir Glass, Near J.B. Nagar, Andheri (East), Mumbai-400 059, the ledger folio of such accounts togetherwith the Share Certificates to enable the Company to consolidate all the holdings into one account. The share certificates will be returned to the members after making the necessary endorsement in due course.
- (d) Members are requested to bring their copy of the Annual Report to the Annual General Meeting. As a measure of economy no extra copies of the Annual Report will be supplied at the meeting.
- (e) Members are requested to notify any change in their Address to the Company.
- (f) 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.

By Order of the Board

Registered Office :

173-B, New Industrial Estate,
Road No. 6-G, Udhna -394 210.
Dated : 29th July, 2000.

(Pankaj Ajmera)
Secretary



DIRECTORS' REPORT

To,
The Shareholders,

Your Directors present the Twentieth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2000.

1. FINANCIAL RESULTS

	(Rs. in lacs)	
	1999-2000	1998-1999
Sales and other Income	1690.30	1907.33
Profit/(Loss) before Depreciation	(30.68)	65.13
Depreciation	50.84	49.21
Profit/(Loss) before tax & Extra ordinary Item	(81.52)	15.92
Extra ordinary Item :		
Loss on sale of Assets	-	5.47
Provision for tax	-	2.50
NET PROFIT/(LOSS) FOR THE YEAR	(81.52)	7.95
Balance brought forward	16.75	8.67
Tax Adjustment of earlier year	-	(0.56)
Excess/ (short) Provision written back	(1.66)	0.69
Transfer from General Reserve	66.43	-
Balance carried forward	-	16.75

2. OPERATIONS

Total income, during the year under review, was lower at Rs.1690.30 lacs as against Rs.1907.33 previous year reflecting reduction of 11.38%. The company incurred a loss of Rs.81.52 lacs as against Profit after tax of Rs. 7.95 lacs last year. The performance of company during the year under review has been affected due to adverse market conditions. Consequently increase in cost could not be passed on and as a result margins were also under pressure. The delay in launch of new high market potential products has lead to lower sales volume.

3. DIVIDEND

In view of loss, the Board have thought it prudent not to recommend dividend for the year under review.

4. FIXED DEPOSITS

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

5. OUTLOOK FOR THE CURRENT YEAR

During the current year company expects turn around with launch of niche market products like Crystal hCG One Step Assay, HIV flow through and HCV flow through assay. The launch of Malaria test will also boost the sales.

Company has initiated steps for improving operational efficiency and effective cost control for ensuring profitable operations.

6. CONSERVATION OF ENERGY

The particulars are as per Annexure 'A'

7. RESEARCH AND DEVELOPMENT

The particulars are as per Annexure 'B'

8. DIRECTORS

Dr. S.D.Desai, Dr.N.S.Patel and Shri.S.G.Kazi Directors of the company retire by rotation at the ensuing General Meeting and being eligible offer themselves for reappointment.

9. Y2K COMPLIANCE

The Company has been able to achieve smooth Y2K transition in respect of all computer systems.

10. AUDITORS' QUALIFICATION

The Notes on accounts, referred to in the Auditor's Report, are self explanatory and therefore do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

11. PERSONNEL

The industrial relations were by and large cordial. There are no employees drawing remuneration in excess of limits specified under section 217(2A) of the Companies Act 1956, read with companies (particulars of employees) Rules 1975.

12. AUDITORS

The members are requested to appoint auditors for the current year. M/s.Y.B.Desai and Associates, Chartered Accountants, the existing Auditors have furnished the company with their written Certificate under sub-section(1-B) of section 224 of the Companies Act, 1956 of their eligibility for reappointment.

13. ACKNOWLEDGEMENT

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

The Directors would like to place on record a deep sense of gratitude to the State Bank of India, Udhna Udyognagar Sahakari Sangh Limited and Gujarat State Financial Corporation for their co-operation and assistance rendered to the Company.

For and on behalf of the Board

Place : Surat
Dated : 29th July, 2000.

(DR. P. K. DESAI)
Chairman