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**Span Diagnostics Ltd.**

**21st Annual Report  
2000-2001**



SPAN

Span Diagnostics Ltd.

<b>BOARD OF DIRECTORS</b>	<b>: Dr. Pradip K. Desai</b> <i>Chairman &amp; Whole-time Director</i> <b>Shri Veeral P. Desai</b> <i>Executive Director</i> <b>Smt. Lata P. Desai</b> <i>Director</i> <b>Shri P. R. Gandhi</b> <i>Director</i> <b>Shri Sanjay N. Mehta</b> <i>Director</i> <b>Dr. Pranav S. Desai</b> <i>Director</i> <b>Shri Shirish R. Mehta</b> <i>Director</i> <b>Shri C. R. Gandhi</b> <i>Director</i> <b>Dr. S. P. Amin</b> <i>Director</i> <b>Dr. N. S. Patel</b> <i>Director</i> <b>Shri. S. G. Kazi</b> <i>Director</i>
<b>COMPANY SECRETARY</b>	<b>: Mr. Pankaj Ajmera</b>
<b>SOLICITORS</b>	<b>: Roshan Desai &amp; Co.,</b> <i>Solicitors &amp; Advocates</i>
<b>BANKERS</b>	<b>: State Bank of India.</b> Specialised Commercial Branch, Kiran Chambers, Opp. J. K. Tower, Ring Road, Surat - 395 002.
<b>AUDITORS</b>	<b>: M/s. Y. B. DESAI &amp; ASSOCIATES</b> <i>Chartered Accountants</i> Surat.
<b>HEAD OFFICE &amp; REGISTERED OFFICE</b>	<b>: 173-B, New Industrial Estate,</b> Road No. 6-G, Udyognagar, Udhna-394210 (Surat) India.
<b>PLANT</b>	<b>: 1. Plot No. 336, 338, 340, Road No. 3,</b> G.I.D.C., Sachin-394 230. Surat - India. <b>2. 173-B, New Industrial Estate,</b> Road No. 6-G, Udyognagar, Udhna-394 210 (Surat) India.
<b>SHARE TRANSFER AGENTS</b>	<b>: IIT Corporate Services Limited.</b> IIT House, Off. M. Vasanji Road, Opp. Vazir Glass, Near J. B. Nagar, Andheri (East), Mumbai-400 059.
<b>BRANCH OFFICES</b>	<b>: 1. Kohinoor Complex 'C' Wing,</b> Near Vardhman Industrial Estate, Western Express Highway, Dahisar, (East), Mumbai-400 068. <b>2. 23 Mallikarjuna Swamy Temple Road,</b> Natkalpa Circle, Basavanagudi, Bangalore - 560 004. <b>3. C-71, Shalimar Garden</b> Extention 11, Shahibabad, Ghaziabad-201 005. <b>4. AE-335, Salt Lake City, Sector-1,</b> Calcutta-700064.

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## FINANCIAL HIGHLIGHTS

(Rs. in lacs)

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
<b>OPERATING RESULTS</b>															
Sales & Other Income	2068.56	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
Profit /(Loss) before Depreciation & Investment Allow. Reserve	68.88	(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
Depreciation	47.76	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
Investment Allow. Reserve	---	---	---	---	---	---	---	---	---	---	---	---	---	---	3.05
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
Profit/(Loss) after tax	21.12	(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
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
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
<b>SOURCES AND APPLICATION OF FUNDS</b>															
<b>Source of funds</b>															
Share Capital	300.01	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
Reserves and surplus	408.26	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
Loans	616.00	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
<b>FUNDS EMPLOYED</b>	<b>1324.27</b>	<b>1251.79</b>	<b>1332.77</b>	<b>1205.00</b>	<b>1157.62</b>	<b>1105.24</b>	<b>1115.18</b>	<b>774.80</b>	<b>543.23</b>	<b>241.50</b>	<b>210.28</b>	<b>182.50</b>	<b>149.79</b>	<b>109.69</b>	<b>102.23</b>
Fixed Assets (Net)	647.56	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
Investments	0.36	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
Current Assets (Net)	676.35	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
<b>NET ASSETS EMPLOYED</b>	<b>1324.27</b>	<b>1251.79</b>	<b>1332.77</b>	<b>1205.00</b>	<b>1157.62</b>	<b>1105.24</b>	<b>1115.18</b>	<b>774.80</b>	<b>543.23</b>	<b>241.50</b>	<b>210.28</b>	<b>182.50</b>	<b>149.79</b>	<b>109.69</b>	<b>102.23</b>
Debt-Equity Ratio	0.87:1	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
<b>AMOUNT ON FACE VALUE OF Rs.10/-</b>															
Earnings Per Share	0.70	---	0.26	1.45	1.49	---	2.65	- 7.09\$	6.0	3.5 #	10.5	8.3	9.1	4.9	3.4
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
Book Value	24	23	26	26	25	24	26	67 \$	36	27 #	48	39	32	22	21

\* 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 2000-2001

## N O T I C E

Notice is hereby given that the 21ST 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 15th day of September 2001 at 11.00 A.M. to transact the following business :-

1. To consider and adopt the audited Balance Sheet as at 31st March, 2001 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.P.Amin who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Director in place of Shri.P.R.Gandhi who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Director in place of Shri.C.R.Gandhi 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.

## SPECIAL BUSINESS

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

RESOLVED THAT pursuant to provisions of section 314 and other applicable provisions, if any of the companies Act 1956, the company hereby accords its consent and approval for the revision in remuneration payable to Mrs. Sujata V. Desai, a relative of Director holding and continuing to hold office or place of profit as Technical Manager (Instrument) in the company on remuneration of Basic salary Rs.7500 per month in the grade of Rs.7500-500-12000 together with usual allowances, benefits, amenities and facilities including staff superannuation, gratuity and provident fund benefits applicable to other employees in the similar scale and reimbursement of car expenses incurred for company's work as per rules of the company w.e.f. 1/4/2001.

7. To consider and, if thought fit, to pass with or without modification the following resolution as a special resolution.

RESOLVED THAT pursuant to section 309, 314 and all other applicable provisions, if any, of the companies Act 1956 and subject to approval of Central Government, if any, the company hereby accords its consent to the payment of fees not exceeding Rs.20,000/- p.m. to Dr.Pranav S. Desai Director of the company w.e.f. 1-4-2001 for rendering professional and technical consultancy and services in the field of Diagnostics, Biotechnology and allied segments.

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

"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended and/or altered by inserting the following Heading and Article 82A after Article 82.

## DEMATERIALISATION OF SECURITIES

## Definitions

## 82A (1) For the purpose of this Article :

"Beneficial Owner" means a person whose name is recorded as such with a Depository ;

"Depository" means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992;

"Depositories Act" means the Depositories Act, 1996 or any statutory modification or re-enactment thereof;



Span Diagnostics Ltd.

"Registered Owner" means a Depository whose name is entered as such in the records of the Company;

"Security" means such security as may be specified by the Securities and Exchange Board of India from time to time.

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|--|--|
| Dematerialisation/ Rematerialisation of Securities | (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise/ rematerialise its securities and to offer securities in the dematerialised form pursuant to the Depositories Act.  |
| Securities in fungible Form                        | (3) All securities held by a Depository shall be dematerialised and shall be in fungible form. No Certificate shall be issued for the securities held by the Depository.   |
| Transfer of Securities                             | (4) Nothing contained in these Articles shall apply to transfer of securities held in Depository.  |
| Allotment of Securities                            | (5) Where the securities are dealt with in a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.   |
| Register and index of Beneficial Owners            | (6) The Register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a Register and index of members and other securities holders.  |
| Rights of Depository And Beneficial Owners         | (7) As a registered owner, Depository shall not have any voting rights or any other rights in respect of the securities held by it. Every person whose name is entered as the beneficial owner of shares in the records of the Depository shall be deemed to be a member of the Company. Every beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all liabilities in respect of the securities which are held by the Depository." |

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

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or reenactments thereof the time being in force), Securities Contracts (Regulation) Act, 1956, and the Rules framed thereunder, Listing Agreements, and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board') the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from The Stock Exchange - Ahmedabad.

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

RESOLVED THAT pursuant to Section 309, 314(1) and all other applicable provisions if any, of the Companies Act 1956 Act, and subject to approval of Central Government, if any, the Company do hereby accord consent and approves terms of re-appointment of Shri Praful R. Gandhi Director of the Company as Management Consultant on a fees not exceeding Rs.25,000 per month plus reimbursement of actual travel & telephone expenses plus car expenses subject to maximum of Rs. 75,000 p.a. incurred for rendering Services in respect of Finance and Business Management in his capacity as Management Consultant with effect from 01-10-2001 for a period of 3 years.

By Order of the Board

**Registered Office :**  
173-B, New Industrial Estate,  
Road No. 6-G, Udhna -394 210.  
Dated : 26th July, 2001.

(Pankaj Ajmera)  
Secretary



## Annual Report 2000-2001

### 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 8th September, 2001 to 15th September, 2001 both days inclusive.
- (c) An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to Special business is annexed hereto.
- (d) 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.
- (e) 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.
- (f) Members are requested to notify any change in their Address to the Company.
- (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.

### ANNEXURE TO THE NOTICE UNDER SECTION 173 OF THE COMPNIES ACT 1956.

#### Resolution at Item 6.

Mrs. Sujata Desai is by qualification B.E. (Instrument) and having 6 years experience in the field of Diagnostic instrumentation. She has been appointed as Executive (Instrument) w.e.f. 20/12/97. In view her performance and increased responsibilities and significant contribution to Instrument Division business, it has been felt necessary by the Board of Directors to revise her remuneration to Rs. 7,500/- basic in scale of Rs. 7500-500-12000 and other allowances as per the rules of the company w.e.f. 01-04-2001. Under the provisions of section 314 of the companies Act such revision is required to be approved by a Special Resolution.

The Directors recommend resolution for approval of Members Except Dr.P.K.Desai, Mr. V.P.Desai and Mrs.L.P.Desai, none of the other Directors of the Company is any way concerned or interested in the said Resolution.

#### Resolution at Item 7.

Dr. Pranav S. Desai was appointed as Director of the Company to fill in the casual vacancy created by resignation of Director Dr.S.D.Desai at the Board Meeting held on 26/4/2001. He is by qualification M.D.(Path.) and having experience of 4 years in the field of Research in Diagnostics and consulting pathologist. He has been rendering services and consultancy to the company in field of Diagnostics, Biotechnology and allied segments to the company since last 3 years. He will continue to do so. Since he has been appointed as a Director, a necessary approval is required pursuant to section 309 and other applicable provisions of the Companies Act 1956

The Directors recommend resolution for approval of Members.

None of the Directors except Dr.Pranav S. Desai is any way concerned or interested in the said Resolution.

#### Resolution at Item 8.

Consequent upon the setting up of the Depository System and the introduction of the Depositories Act, 1996 there have been significant amendments in the provisions of the Companies Act, 1956 relating to issue, holding and transfer of securities in dematerialised form. The equity shares of your Company can be dematerialised under the Depository System and it is therefore proposed to suitably amend the Articles as set out in the Resolution in order to bring the provisions of the Articles of Association in consonance with the provision of the Companies Act, 1956.

The above Resolution is set out as Special Resolution for approval by the Members in terms of Section 31 of the Companies Act, 1956.





A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations would be available for inspection by the members at the Registered Office of the Company during business hours on any working day, excluding Saturday, upto and including the day of this meeting.

None of the Directors is concerned or interested in the Special Resolution at Item No.8

#### Resolution at Item 9.

Presently, the Company's securities are listed at the following three Stock Exchanges in India;

- i. The Stock Exchange, Mumbai
- ii. Vadodara Stock Exchange Ltd. (the Regional Stock Exchange)
- iii. The Stock Exchange, Ahmedabad

With the extensive networking of The Stock Exchange, Mumbai (BSE) and the extension of the BSE terminals to other cities as well as, investors have access to online dealings in the Company's securities across the country. The almost all the trading in the Company's equity shares in any case takes place on the BSE and the depth and liquidity of trading in the Company's securities on all other Stock Exchanges are negligible.

The Company's Equity Shares are one of the scripts which the Securities and Exchanges Board of India (SEBI) has specified for settlement only in dematerialised form by all investors, since July 2001.

It is also observed that the listing fee paid to the other Stock Exchanges is disproportionately higher, and as stated herein, the trading volumes and liquidity are lower compared to the BSE.

As a part of its cost reduction and administrative measures, the Company has proposed this resolution, which will enable it to delist its equity shares from The Stock Exchange, Ahmedabad.

In line with the SEBI regulations and approval, if any, required members' approval is being sought by a Special Resolution for enabling voluntary delisting of its Securities from the said other Stock Exchange.

The said delisting as and when the same takes place, will not adversely affect the investors. The Company's securities will continue to be listed on BSE as well as on Vadodara Stock Exchange - Regional Stock Exchange. The delisting will take effect after all approvals, permissions and sanctions are received. The exact date on which delisting will take effect will be suitably notified at that time.

Your Directors recommend the Special Resolution for approval of members.

None of the Directors of the Company are, in any way, concerned or interested in the resolution.

#### Resolution at Item 10.

The term of Shri. Praful R. Gandhi as Management consultant will be expiring on 30/9/2001.

Shri Praful R. Gandhi is also a Director of the company. He is by qualification Cost Accountant and having 38 years experience in the field of Finance & Business Management and Administration etc. It would be in the interest of the company to avail of his expert knowledge and experience by re-appointing him as Management Consultant for the further period of 3 years and to compensate him suitably @ not exceeding Rs.25,000 per month plus actual out of pocket expenses incurred by him in connection with the performance of his duties as consultant and on the terms & conditions contained in draft agreement. Under the provision of Section 309 & 314 of the Companies Act 1956, the professional fees payable to Director as Management consultant would amount to holding office or place of profit which will require a special resolution u/s 314 and 309 as well as prior permission of Central Government.

The Director Recommend the resolution for approval of Members. None of the other Directors of the Company except Shri.P.R.Gandhi and Shri.C.R.Gandhi are concerned or interested in the resolution.

By Order of the Board

#### Registered Office :

173-B, New Industrial Estate,  
Road No. 6-G, Udhna -394 210.  
Dated : 26th July, 2001.

(Pankaj Ajmera)  
Secretary