



32nd Annual Report 2011-12



Span Diagnostics Ltd.

my trusted partner IN DIAGNOSIS™



Vision

To be a trusted partner in diagnosis, providing dependable & affordable tools to healthcare professionals across the globe to secure healthier world.

Mission

At Span Diagnostics, we pursue ethical and meaningful ways that makes it the most admired for its people, products, partnership, performance and practices to become a global leader in manufacturing novel, innovative and affordable diagnostic solutions. We will continue to build a corporate which respects and values the unique strengths of our associates and perceived needs of our customers, shareholders and society.

Values

Trust and Respect :

Building and maintaining interpersonal trust and respect in a team to achieve collective goal with shared responsibility.

Integrity :

Keeping company interest and ethics before self interest.

Sincerity :

Doing every task whole heartedly with focus, attention and determination.

Innovation :

Taking initiatives for implementing 'out of box' ideas to achieve company's mission.

Collaboration :

Acceptance and utilization of the best strengths and expertise available globally.

BOARD OF DIRECTORS

Dr. Ramnik H. Parekh	Chairman
Mr. Veeral P.Desai	Managing Director
Dr. Pradip K. Desai	Executive Director
Dr. Madhukanta T. Patel	Technical Director
Ms. Lata P. Desai	Director
Mr. Sarvajna G. Kazi	Director
Dr. Sushil K. Shah	Director
Mr. S.Sundaresan	Director
Mr. Kamlesh Patel	Director
Mr. Shyamal Ghosh	Director
Dr. Pranav S. Desai	Director
Mr. Sanjay N. Mehta	Director
Mr. N.Gopalaswami	Alternate Director to Mr. Sarvajna G. Kazi

COMPANY SECRETARY

Mitesh G. Rana

BANKERS

State Bank of India Ind. Finance Branch Marble Arch, Race Course Circle, BARODA – 390 007	IDBI Bank 2nd floor, Ess En House, Ghod Dod Road. Opp. Kotak House, SURAT SURAT – 395 007
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AUDITORS

M/s. Haribhakti & Co.,
Chartered Accountants
703, Venus Atlantis, 100 Ft. Road,
B/s. Reliance Petrol Pump, Prahlad Nagar,
Ahmedabad-380 015.

**HEAD OFFICE &
REGISTERED OFFICE**

173-B, New Industrial Estate
Road No.6-G, Udhna Udyognagar
Udhna, Surat 394210, India

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NOTICE

To,
THE MEMBERS OF SPAN DIAGNOSTICS LIMITED

Notice is hereby given that the 32nd Annual General Meeting of Shareholders of Span Diagnostics Limited will be held at Registered Office at Plot No. 173-B, New Industrial Estate, Road No. 6-G, Udhna, Surat – 394 210 on Wednesday, 08th August, 2012 at 10:30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Dr. Pranav S Desai who retires by rotation and being eligible, offer himself for reappointment.
3. To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution

“RESOLVED THAT Dr. Ramnik H Parekh, a Director liable to retire by rotation who does not seek re-election, be not re-appointed a director of the Company.

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

4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors M/s Haribhakti & Co, Chartered Accountants are eligible for reappointment.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956 (including any modification or re-enactment thereof) Mr. Needamangalam Gopalaswami in respect of whom a notice in writing has been received by the Company proposing his candidature for the office of Director under section 257 of the Companies Act, 1956, be and is hereby appointed as director liable to retire by rotation.

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

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 314 and all other applicable provisions, if any, of the Companies Act, 1956, (Act) read with Schedule XIII to the said Act and subject to the approval of the Central Government and such other approvals as may be required, the Company hereby accords its consent to the re-appointment of Dr. Madhukanta T Patel as Whole Time Director designated as a Technical Director of the Company for a period of one year with effect from 01st July, 2012 at under mentioned terms of remuneration

N O T I C E

- a) **Salary:** Rs. 1,25,000 per month in the grade of 1,25,000 – 10000 – 2,50,000 with increments effective from each year as may be decided by Board of Directors within above salary scale.
- b) Exgratia payment as per rules of the Company
- c) **Perquisites:** Allowances and perquisites shall comprise of:
 - i. House Rent Allowance at 10% of Salary.
 - ii. Medical allowance / reimbursement for self and family with a ceiling of Rs.15,000 in a year.
 - iii. Leave travel allowance / reimbursement for self and family once in a year in accordance with the rules of the company shall not exceed 50% of monthly Salary.
 - iv. Personal accident insurance in accordance with the rules of the company.
 - v. Reimbursement of club fees subject to a maximum of two clubs. This will not include admission and life membership fees.
 - vi. Company's contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - vii. Gratuity as per the rules of the company but shall not exceed half a month's salary for each completed year of service.
 - viii. Car with driver for use on company's business, cell phone and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the company.
 - ix. Earned Leave of one month for every eleven months of service on full pay and allowance as per the rules of the company. Leave accumulated but not availed of, can be encashed as per the rules of the company.
 - x. Reimbursement of entertainment, travelling and other expenses incurred in the course of legitimate business of the company.
- d) In the event of loss or inadequacy of profits in the Company Dr. Madhukanta T Patel shall be entitled to remuneration by way of salary and perquisite not exceeding the limits specified in schedule XIII to Companies Act, 1956.
- e) The Board of Directors be and are hereby authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution and alter, vary any of the terms and conditions relating to remuneration payable to Dr. Madhukanta T Patel within the overall remuneration package approved.”
7. To consider and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**

“RESOLVED THAT pursuant to provisions of section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time such sum or money as it may consider fit for the purpose of the business of the Company notwithstanding that the moneys to be so borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from Company's Banker's in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserve, that is to say, reserves not set apart for any specific purpose, provided, however, that the total amount so borrowed by the Board of Directors and outstanding at any one time shall not exceed the sum of Rs. 75 Crores (Rupees Seventy Five Crores).

NOTICE

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto.”

8. 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 and Section 314 of the Companies Act, 1956 and all other applicable provisions, if any, of the said Act, and subject to approval of Central Government, if any, the Company do hereby accord consent and approves reappointment of Mr. Shyamal Ghosh, Director of the Company as a Management Consultant on a fees not exceeding sum of Rs. 4,00,000/- (Rs. Four Lacs Only) per annum plus applicable taxes for rendering service in respect of Finance and Business Management in his capacity as a Management Consultant with effect from 01st November, 2012 for a period of 3 years.”

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

“RESOLVED THAT in accordance with provisions of section 314 and all other applicable provisions of the Companies Act, 1956 and subject to approval of Central Government, if any, required, Company hereby accords its consent to the revision in the terms of remuneration of Ms. Sujata Desai – Chief Operating Officer of the Company and a relative of Director, with effect from 01st April, 2012 at monthly remuneration not exceeding Rs. 2,50,000/- or such amount as may be prescribed under section 314(1B) of the Companies Act, 1956 as amended from time to time. The remuneration include allowances, benefits such as House Rent Allowances, Leave Travel Allowances, Ex Gratia, Medical Reimbursement and other perquisites & allowances as per the rules of the Company. The Company's contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 and Gratuity as per the rules of the company but shall not exceed half a month's Salary for each completed year of service shall not be included in overall ceiling of remuneration.

RESOLVED FURTHER THAT Board of Directors be and are hereby authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution and fix, alter, vary any of the terms and conditions relating to remuneration payable to Ms. Sujata Desai within the overall remuneration ceiling approved.”

Date : 26th May 2012

Place : Surat

For and on behalf of the Board of Directors

Mitesh Rana
Company Secretary

Registered Office:
173- B, New Industrial Estate
Road No. 6G, Udhna
Surat-394210

Notes:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY DULY COMPLETED MUST BE RETURNED TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.

NOTICE

- (b) The Register of Members and the share transfer books of the company will remain closed on 30th July, 2012 to 08th August, 2012 (both days inclusive).
- (c) Link Intime India Private Limited is the Registrar and Share Transfer Agents of the Company. Shareholders are requested to make all correspondence including change of address to them at the following address.
 Link Intime India Private Limited
 Unit: Span Diagnostics Limited
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (West)
 MUMBAI – 400 078
 Phone # 022-25963838, Fax # 022-25946969
 Email: rnt.helpdesk@linkintime.co.in
- (d) Members who are holding shares in identical order of names in more than one account are requested to intimate to Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited) at the address stated above with the ledger folio of such accounts together with the share certificates to enable the Company to consolidate all the holdings into one account. The share certificates will be returned to the members after making the necessary endorsement in due course.
- (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 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.
- (g) **GREEN INITIATIVE**

As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA), vide its Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011. In terms of the enabling provisions of these Circulars, the Company will henceforth effect electronic delivery of documents including the annual report, half yearly shareholder communication, notices of meetings/postal ballot, etc. to the members at the email address registered for the said purpose.

For supporting this initiative, if you hold shares in:

- (a) **electronic form**, please intimate your email address to your Depository Participants(DP). The same will be deemed to be your registered email address for servicing notices/documents including those covered under Section 219 of the Companies Act, 1956.
- (b) **physical form**, please send a duly signed letter quoting the name of first/ sole holder and folios to the Company's Registrar & Share Transfer Agents:
 Link Intime India Private Limited
 C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
 Bhandup (West), Mumbai – 400 078.

NOTICE

Kindly note that if you do not register your email address, a physical copy of the annual report and other communication/ documents will be sent to you free of cost, as per current practice. Such documents will also be displayed on the Company's website www.span.co.in.

We strongly urge you to support this 'Green Initiative' by opting for electronic mode of communication and making the world a cleaner, greener and healthier place to live. In case your shares are in physical form, we also urge you to have your shares dematerialized by approaching Depository Participant (DP) of your choice.

EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 173 OF THE COMPANIES ACT 1956 AND INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT:

DETAILS OF DIRECTORS BEING REAPPOINTED		
Name of Director	Dr. Pranav Desai	Mr. Needamangalam Gopalswami
Age	40 years	68 years
Qualification	M. D. Pathology	M.Sc. Chemistry
Expertise in specific functional area	He has rich experience of more than 11 years in R & D diagnostics and consulting pathology.	He has rich experience in the field of Human Resource Management & Urban Development
List of companies in which outside Directorship held	Desai Metropolis Health Services Private Limited.	Green Signal Bio-Pharma Private Ltd.
Member of committee of the Board of Director of the Company	Investor Grievances Committee	HR Committee
Chairman of committee of the Board of Director in other Company	NIL	NIL

RESOLUTION AT ITEM NO. 5

The Company has received a notice in writing from a member under the provision of Section 257 of the Companies Act, 1956 proposing candidature of Mr. Needamangalam Gopalswami as director of the Company in place of retiring Director.

He has served as an alternate director to director Mr. Sarvajna Kazi, who retires by rotation at ensuing annual general meeting, has not sought for reappointment.

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

None of the Directors are interested in the appointment.

NOTICE

RESOLUTION AT ITEM NO. 6

The term of Dr. Madhukanta T Patel as Whole Time Director will expires on 30th June, 2012.

At its meeting held on 26th May, 2012 the Board of Directors reappointed Dr. Madhukanta T Patel as Whole Time Director designated as Technical Director of the Company for further period of one year with effect from 01st July, 2012. The terms and conditions of appointment are set out in the resolution No. 6 of the accompanying notice.

Dr. Madhukanta T Patel is by qualification M.Sc., Ph.D from South Gujarat University. She is having rich experience in the field of diagnostics. She is with the Company since its inception. She is currently in charge of Overall production, Plant Maintenance, Quality Management Systems. Her contribution to the growth of the Company is immense.

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract of the terms of reappointment of Whole Time Director under Section 302 of the Companies Act, 1956.

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

None of the Directors of the Company except Dr. Madhukanta T Patel is anyway concerned or interested in the said resolution.

RESOLUTION AT ITEM NO. 7

Under Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors can not, except with the consent of the Company in General Meeting, borrow moneys, apart from temporary loans obtained from Company's bankers in the ordinary course of business, in excess of the aggregate paid up capital and free reserves of the Company that is to say reserves not set apart for any specific purpose.

In view of the projected growth in the turnover and activities, it has become necessary to borrow funds to meet Company's increased capital expenditure and working capital requirement in line with increase in the volume of Company's business. The Shareholders had at Extra Ordinary General Meeting held on 08th June, 2007 approved limit up to Rs. 50 Crores.

The consent of the members under section 293(1) (d) and other applicable provisions, if any, of the Companies Act, 1956 is therefore sought to enable the Board of Directors to borrow moneys as and when required, upto a limit of Rs. 75 Crores (Rupees Seventy Five Crores Only) (apart from temporary loan obtained from the Company's bankers in the ordinary course of business.)

None of the Directors of the Company is interested in this resolution.

RESOLUTION AT ITEM NO. 8

Mr. Shyamal Ghosh, Independent & Non Executive Director as well as Chairman of Audit Committee of the Company acts as a Management Consultant to the Company. Mr. Shyamal Ghosh belonged to the Indian Administrative Service. Mr. Shyamal Ghosh has held various senior positions in both State Government of Gujarat and Government of India. The Company has been greatly benefited by his rich experience in Administration and Business Management and has decided to reappoint him as Management Consultant on a fees not exceeding Rs. 4,00,000/- (Rupees Four Lacs) plus applicable taxes per annum with effect from 01st November, 2012.

NOTICE

Under the provisions of section 314 of the Companies Act, 1956, the fees payable to Director as Management Consultant would amount to holding office or place of profit which will require special resolution under section 314 and subject to approval of the Central Government if any required.

Hence the proposed special resolution is recommended for consideration of and approval by the shareholders of the Company.

None of the Director except Mr. Shyamal Ghosh are interested or concerned in the proposed resolution.

RESOLUTION AT ITEM NO. 9

At its meeting held on 26th May, 2012, the Board of Directors revised the terms of remuneration of Ms. Sujata V Desai, Chief Operating Officer of the Company. The terms and conditions of revision are as set out in the statement. She being a relative of Directors, the payment of remuneration is subject to Section 314 and other applicable provisions of the Companies Act, 1956 and subject to approval of Central Government, if any required.

Ms. Sujata V Desai is by qualification B.E (Instruments) and having rich experience in the field of diagnostic instrument and business administration. She underwent a management education course at Indian Institute of Management, Ahmedabad. She joined the Company as an Executive in the year 1997. She has held the position of Executive Director of the Company for the period of about four years. She has been appointed as Chief Operating Officer of the Company with effect for 01st April. 2007. She is in overall charge of plant operations, R & D (Instruments), finance, technical support, inventory management, systems & audits.

Hence the proposed special resolution is recommended for consideration of and approval by the shareholders of the Company.

None of the Directors of the Company except Mr. Veeral P desai, Dr. Pradip K Desai, Mr Sarvajna Kazi & Ms. Lata P Desai is anyway concerned or interested in the said resolution.

Date : 26th May, 2012

For and on behalf of the Board of Directors

Place : Surat

**Mitesh Rana
Company Secretary**

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