



SPAN

Span Diagnostics Ltd.

**35th Annual Report
2014-15**

BOARD OF DIRECTORS

Mr. N.Gopalaswami	Chairman
Mr. Veeral 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
Ms. Lataben P Desai	Additional Director

COMPANY SECRETARY

Pankaj Ajmera

BANKERS
HDFC BANK LIMITED

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

STATUTORY AUDITORS

M/s. Haribhakti & Co., LLP
Chartered Accountant,
703, Venus Atlantis, 100 ft. Road,
Besides Reliance Petrol Pump,
Prahlad Nagar, Ahmedabad – 380 015

**HEAD OFFICE &
REGISTERED OFFICE**

Rajhans Bonista, Behind Ram Chowk Temple,
Ghod Dod Road, Surat - 395007

CONTENTS	<u>PAGE NO.</u>
Notice of Annual General Meeting	2
Director's Report	8
Auditors' Report on Corporate Governance	29
Corporate Governance Report	30
Secretarial Audit Report	42
Auditors' Report	45
Balance Sheet	48
Profit & Loss Account	49
Cash Flow Statement	50
Notes on Financial Statements	51
Auditors' Report on Consolidated Financial Statements	74
Consolidated Balance Sheet	78
Consolidated Statements of Profit & Loss	79
Consolidated Cash Flow Statement	80
Notes on Consolidated Financial Statements	81
Attendance Slip & Proxy Form	107/108
Green Initiative	109

NOTICE

To,

THE MEMBERS OF SPAN DIAGNOSTICS LIMITED

Notice is hereby given that the 35th Annual General Meeting of Shareholders of Span Diagnostics Limited will be held at DTA-2, G 02 to G 05 Plot, Gujarat Hira Bourse, Gem & Jewellery Park, Icchapore-2, Surat – 394 510 on Sunday, September 20, 2015 at 10:30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - (a) The Audited financial statements of the Company for the year ended on March 31 2015, and the Reports of the Board of Directors and Auditors thereon.
 - (b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2015.
2. To appoint a Director in place of Dr. Pranav S Desai (DIN: 00026541) who retires by rotation and being eligible, offer himself for reappointment
3. To consider and if thought fit, to pass with or without modification, following resolution for appointment of M/s. Haribhakti & Co., LLP, Chartered Accountants as Statutory Auditor

“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, Haribhakti & Co LLP (Firm Registration Number 103523W) Chartered Accountants, the retiring Auditors of the Company, who have offered themselves for re-appointment 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 reappointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remunerations as may be agreed upon Board of Directors in consultation with the said Auditors.

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution for Regularization of Additional Director, Ms. Lataben P Desai**

“RESOLVED THAT Ms. Lataben P Desai, who was appointed as an Additional Director with effect from August 08, 2014 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and who hold office up to the date of this Annual General Meeting and in respect whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of a Director be and is hereby appointed as a Director of the Company.

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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to Section 181 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made there under as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee of the Board constituted to exercise its power, including the power conferred by this resolution) to make / contribute to bona fide charitable and other funds in excess of the limit prescribed under the Companies Act, 2013 and rules made there under but not exceeding Rs. 2 Crore (Rupees Two Crore Only) in aggregate per annum over and above limit prescribed under the Companies Act, 2013 and the rules made there under.

RESOLVED FURTHER THAT contribution made by the Company during the year 2014 – 15 in excess of the limit prescribed under the Companies Act, 2013 and rules made there under be and is hereby approved and ratified by the shareholders of the Company.

RESOLVED FURTHER that the Board be and is hereby authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned limit and also to take all other decisions and any other action as may be required, either in part or in full, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transaction including ratification of the earlier transaction."

Date: May 30, 2015

Place: Mumbai

For and on behalf of the Board of Directors

Pankaj Ajmera
Company Secretary

**Registered Office: 9th Floor, 902 – 904, Rajhans Bonista, Behind Ram Chowk Temple,
Ghod Dod Road, Surat – 395 007
CIN: L24299GJ1980PLC003710**

Notes:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY DULY COMPLETED MUST BE RETURNED TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.
- (b) The relative Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act"), with respect to the Special Business set out in Item Nos. 4 to 6 above is annexed hereto.
- (c) The relevant details as required under Clause 49 of the Listing Agreement with the Stock Exchange of person seeking appointment/reappointment relating to item No. 2 and 4 of the Notice are also annexed.
- (d) Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company / Depositories unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
- (e) The Register of Members and the Share Transfer Books of the Company will remain closed on September 12, 2015 to September 20, 2015 (both days inclusive).
- (f) 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
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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.
- (i) **GREEN INITIATIVE**
As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA). The Company will henceforth effect electronic delivery of documents including the annual report, half yearly shareholder communication, notices of meetings/postal ballot, etc. to the members at the email address registered for the said purpose.

For supporting this initiative, if you hold shares in:

- (a) **electronic form**, please intimate your email address to your Depository Participants(DP). The same will be deemed to be your registered email address for servicing notices/documents.
- (b) **physical form**, please send a duly signed letter quoting the name of first/ sole holder and folios to the Company's Registrar & Share Transfer Agents:

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai – 400 078

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 at the earliest.

(j) Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and provisions of clause 35B of the Listing Agreement entered into with the Stock Exchange, the Company is pleased to provide members facility to exercise their right to vote at the 35th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL): **The instructions for members opting to vote electronically are as under:**

- Log on to the e-voting website www.evotingindia.com during the voting period.
- Click on "Shareholders" tab
- Now enter your user ID
 - For CDSL: 16 digits beneficiary ID
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - Members holding shares in Physical Form should enter Folio Number Registered with the Company
- Next Enter the Image Verification Code as displayed and click on Login
- If you are holding shares in Demat Form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company then your existing password is to be used.
- If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by the Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB#	Enter the Date of Birth in dd/mm/yyyy format as recorded in your demat account or in the Company records for the said demat account or folio
Dividend Bank details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. #Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id/ folio number in the Dividend Bank Details field as mentioned in instruction no. iii

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in the Notice.
- Click on the relevant EVSN of Span Diagnostics Limited on which you choose to vote.

- xi. On the voting page, you will see RESOLUTION DESCRIPTION and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies you dissent to the Resolution.
- xii. Click on the RESOLUTIONS FILE LINK if you wish to view the entire Resolution.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on click here to print" option on the Voting Page.
- xvi. If Demat Account holder has forgotten the changed password then enter the user ID and image verification code and click on forgot password & enter the details as prompted by the system.
- xvii. Note for Non-Individual Shareholders and Custodians
 - a. Non Individual Shareholders other than Individuals, HUF, NRI etc. and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate and Custodians.
 - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - d. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e. They should upload a scanned copy of the Board Resolution / Authority Letter etc. in PDF Format in the system for the scrutinizer to verify the same.
- xviii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

- I. **Voting at AGM:** The Members who have not casted their vote either electronically can exercise their voting rights at the Annual General Meeting venue and the member who have not cast their vote by remote e-voting can exercise their right during the meeting on September 20, 2015 at Annual General Meeting.

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

OTHER INSTRUCTIONS

- II. The e-voting period commences on September 17, 2015 (9:00 a.m.) and ends on September 19, 2015 (6:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialization form, as on the cut-off date of September 14, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholders, the shareholder shall not be allowed to change it subsequently.
- III. Mr. Mitesh Rana, Company Secretary (Membership No. 28113) has been appointed as the scrutinizer to scrutinize voting process (electronically or otherwise) in fair and transparent manner.
- IV. The scrutinizer shall from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in employment of the Company and make a scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman/Managing Director of the Company or any other person authorized in this regards.
- V. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on website of the Company and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

Date: May 30, 2015
Place: Mumbai

For and on behalf of the Board of Directors

Pankaj Ajmera
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 to 6 of the accompanying Notice dated May 30, 2015.

Resolution at Item No. 4

Ms. Lataben P Desai was appointed as an Additional Director w.e.f August 08, 2014 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013, Ms. Lataben P Desai, Director of the Company hold office up to the date of the ensuing Annual General Meeting.

As required under Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company was required to have atleast one woman director on the Board of Directors of the Company.

Keeping in view of the above legal requirements, the Board of Directors had appointed Ms. Lataben P. Desai (DIN 00026472) as Additional Director of the Company under Section 161(1) of the Companies Act, 2013, who holds office up to the date of this Annual General Meeting of the Company and is eligible for appointment.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Lataben P Desai for the office of Director of the Company. Ms. Lataben P Desai is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. She holds 7,17,060 equity shares in the Company.

Ms. Lataben P Desai was born on September 25, 1941. She is Bachelor of Arts by qualification. She is director in Desai Agri Biotech Private Limited.

The terms and conditions for appointing her as Director of the Company shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and Sunday.

Save and except Ms. Lataben P Desai, being an appointee, and her relatives, to the extent of their shareholding interest, if any, in the Company, 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 resolution set out at Item No. 4 of the Notice.

The Board recommends resolutions under Item No. 4 to be passed as ordinary resolution.

Resolution at Item No. 5

The Board at its meeting held on April 25, 2015, on the recommendation of the Audit Committee, has approved the appointment of **M/s. V. M. Patel & Associates, Cost Accountants, Surat** to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at a remuneration of Rs. 20,000 (Rupees Twenty Thousands) plus out of pocket Expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Resolution at Item No. 6

Pursuant to provisions of the Companies Act, 2013 and rules made there under, Board of Directors of the Company may contribute to bona fide charitable and other funds. The Proviso to said Section provide that permission of the Company in general meeting shall be required for making contribution in aggregate in any financial year, in excess of the five percent of its average net profits for the three immediately preceding financial year. Taking into account, a resolution is proposed providing that the Directors to make /contribute to bona fide charitable and other funds in excess of the limit prescribed under the Companies Act, 2013 and rules made there under but not exceeding Rs. 2 Crore (Rupees Two Crore Only) in aggregate per annum over and above limit prescribed under the Companies Act, 2013 and the rules made there under. Further during the year 2014 -15, Company had contributed an amount of Rs. 25,20,000 to bona fide charitable and other funds which is in excess of the limit prescribed under the Companies Act, 2013 and the rules made

there under. It is proposed to approve and ratify by passing this resolution.

The Board commends the Special Resolution as set out at Item No. 6 of the Notice for approval by the Shareholders.

II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE

Name of the Director	Dr. Pranav S Desai	Ms. Lataben P Desai
Age	43 Years	73 years
Qualification	M. D. Pathology	Arts Graduate
Experience in Specific functional area	He has rich experience of more than 14 years in R & D in Diagnostics and consulting pathology.	She has experience in the field of Business Management and Administration.
Director Since	June 26, 2006	August 08, 2014
List of Companies in which outside directorship held	Desai Metropolis Health Services Private Limited	Desi Agri Biotech Private Limited
Membership of Committee of the Board of Director of the Company	Stakeholder Relationship Committee	Nil
Membership in Committee in other Companies	Nil	Nil
No. of Shares held	28040	717060

Date : May 30, 2015
Place : Mumbai

For and on behalf of the Board of Directors

Pankaj Ajmera
Company Secretary

Registered Office:
9th Floor, 902 – 904, Rajhans Bonista,
Behind Ram Chowk Temple,
Ghod Dod Road,
Surat – 395 007
CIN: L24299GJ1980PLC003710

DIRECTORS' REPORT

To,

The Shareholders,

Your Directors have pleasure in presenting the 35th Annual Report of Span Diagnostics Limited (the Company) on the business and operations of the Company together with the audited financial statements for the year ended on March 31, 2015.

1. FINANCIAL SUMMARY/PERFORMANCE OF THE COMPANY

The financial performance of the Company for the financial year ended March 31, 2015 along with figures of previous financial year is summarized below:

Particulars	Amount (Rs. In Lacs)	
	2014 – 15	2013 – 14
Total Income	7500.16	7966.78
Profit before tax, Depreciation and interest (Excluding extraordinary income and Foreign exchange Gain/(Loss))	259.33	555.88
Interest	436.33	(441.32)
Foreign exchange Gain/(Loss)	101.43	(60.44)
Profit before Depreciation	(75.60)	54.12
Depreciation	(583.28)	(476.73)
Profit before tax	(658.88)	(422.61)
Exceptional Item	4726.75	0.00
Profit/(Loss) before tax from continuing operation	106.14	(51.10)
Income Tax Expense for continuing operation	0.73	0.00
Profit/(Loss) after tax from continuing operation	106.87	(51.10)
Profit/(Loss) before tax from discontinuing operation	4174.01	(371.51)
Tax Adjustment of earlier year	0.00	2.58
Provision of tax – Current	899.65	Nil
– MAT Credit Entitlement/(Utilisation)	75.35	0
– Deferred Tax (Liabilities)/Asset	(423.16)	(93.96)
Profit/(Loss) after tax from discontinuing operation	3622.17	(462.89)
Profit/(Loss) after tax for the year	3515.30	(513.98)
Balance brought forward	768.49	1282.47
Amount available for appropriation	4283.79	768.49
APPROPRIATIONS		
Proposed Dividend	Nil	Nil
Dividend Distribution tax	Nil	Nil
Dividend for earlier year (including distribution tax)	Nil	Nil
Transfer to General Reserve	(25.00)	Nil
Adjustments carrying value of assets where useful life is Nil as per schedule II	(10.11)	Nil
Balance carried forward	4248.67	768.49

2. DIVIDEND

Board after detailed deliberation and considering the substantial operational loss during the year under review decided not to recommend any dividend for the financial year 2014-15.

3. TRANSFER TO RESERVES:

The Company proposes to transfer an amount of Rs. 25,00,000 to the General Reserve and the balance amount is proposed to be retained in the statement of profit and loss.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The reason for increase in loss from discontinuing operation is because of rise in raw material cost and aggressive competition, which compelled company not to reflect the cost escalation in sales price, in some of the fast moving products and the revenue figures taken up to March 4, 2015, the effective date of slump sale.

During FY 2014-15, one of the major activity was of slump sale of business undertaking and integration. The Company has obtained the World Health Organisation (WHO) approval for its major products i.e. Rapid Test for Malaria and HIV Test, which is very rewarding as capital expenditure made during last couple of years, has finally fructified.

There is an ever increasing competition in the in-vitro diagnostics market and regulatory landscape also is becoming challenging, which will put constant pressure for investment in new technology and facility.

Since the Company has exited and transferred the business in March 2015, it is no longer relevant to elaborate it further.

It is indeed encouraging that we could successfully complete the Business transfer and unlock the true value of the business.

The Company has initiated exploring new investment avenues for the potential use of the amount received pursuant to the completion of the transaction and also to distribute a reasonable portion of the proceeds to the shareholders.

Industry Structure, Development & outlook

The Company has by slump sale transferred its In Vitro Diagnostics Business undertaking to M/S. Arkay Healthcare Private Limited. Consequently Span is evaluating alternative structures for future lines of business. At an appropriate stage these business plans will be shared.

Research & Development

The Company was working on R&D with diverse approach such as R&D with in-house team, with special purpose subsidiary ventures, outsourcing by contract research, tie-ups with various institutions of repute in India and abroad by forming Public Private Partnership and technology acquisition. As company has transferred its In Vitro Diagnostic Business undertaking to M/S. Arkay Healthcare Private Limited., currently there is neither any research nor manufacturing activity and Company will evaluate alternative structure for the future line of business.

Human resources and industrial relations

The Company had highly motivated employees, totaling 524 persons, comprising of trained technical, managerial and research personnel till March 04, 2015. Company had transferred its In-vitro Business Undertaking to M/s. Arkay Healthcare Private Limited on completion requisite formalities with effect from March 05, 2015. Company has 3 employees as on March 31, 2015. The focus of the Company is to enrich its employees by promoting learning & development and providing opportunities for enhancing their knowledge base continuously.

The Company continues to have cordial and harmonious relations with its employees and the union.

5. BUY BACK OF SHARES

Pursuant to the sale of In-vitro Diagnostic Business Undertaking (BU) of a Company, Company successfully unlocked the true value of business. However, this also means that Company has to venture into new businesses going forward. After due deliberations and considering the need to conserve funds for deployment in new businesses identified by the Board and considering the interest of shareholders and particularly small shareholders, Board has opted for buy back of equity shares to distribute a significant portion of exceptional income arising out of Slump Sale of IVD business.

The Board of Directors has approved and recommended buy back of shares up to maximum of 18,19,000 Equity Shares of Rs. 10/- each, constituting 25% of the paid up equity capital, at a buy back price not exceeding Rs. 65 per share through the tender route through the Stock Exchange, Mumbai pursuant to the provisions of Section 68 of the Companies Act, 2013 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 as amended.

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

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

7. 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 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.