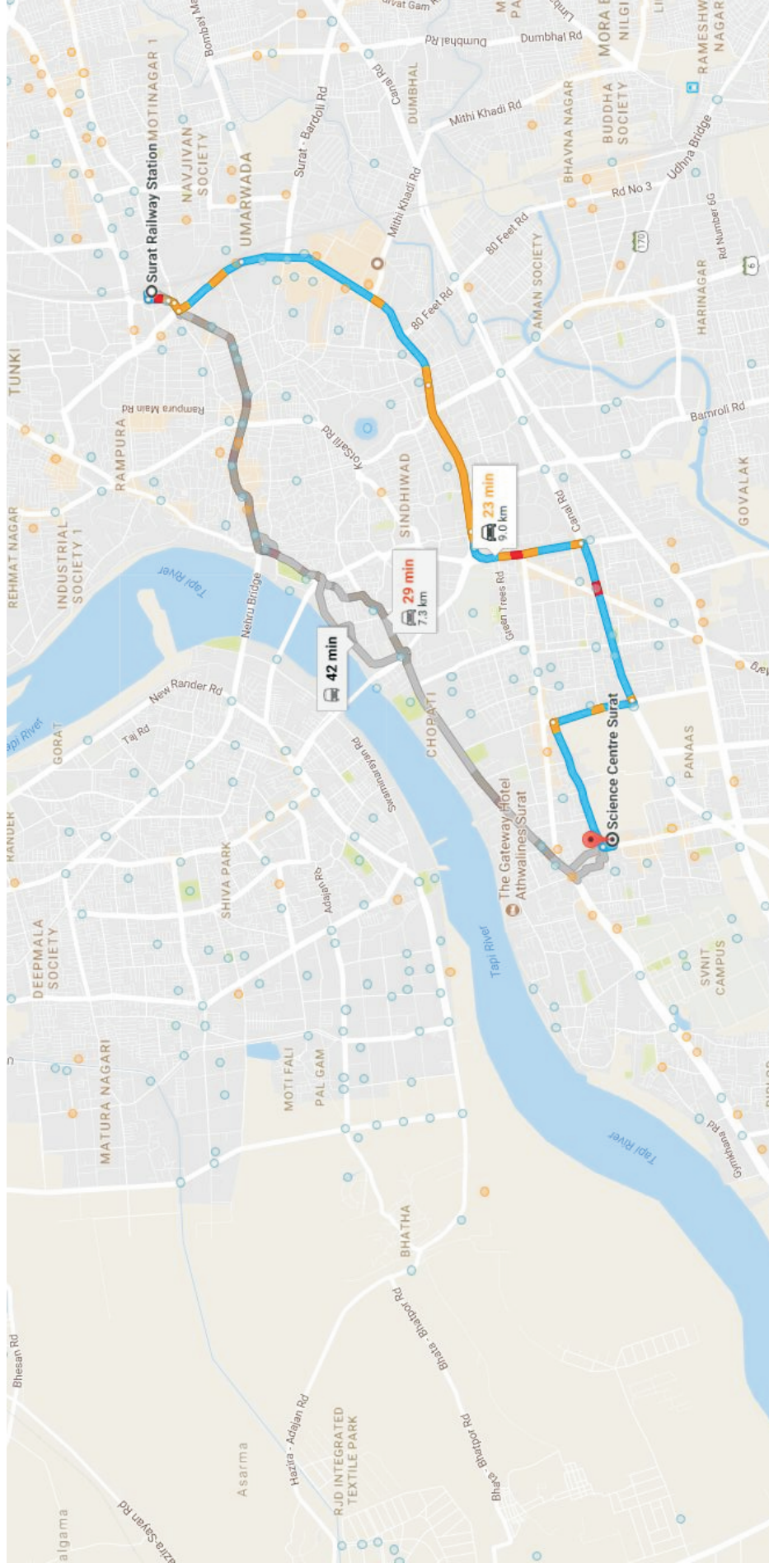




37th Annual Report 2016 - 17

VENUE ROUTE



BOARD OF DIRECTORS

Mr. N. Gopalaswami
Mr. Viral P. Desai
Dr. Pradip K. Desai
Dr. Sushil K. Shah
Mr. Shyamal Ghosh
Mr. Kamlesh Patel
Dr. Pranav S. Desai
Mr. Sanjay N. Mehta
Ms. Lataben P. Desai

Chairman
Managing Director
Director
Director
Director
Director
Director
Director
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. Haibhakti & Co., LLP
Chartered Accountant,
703, Venus Atlantis, 100 ft. Road,
Beside Reliance Petrol Pump,
Pralhad Nagar, Ahmedabad - 380 015

**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
FORMERLY SPAN DIAGNOSTICS LIMITED**

Notice is hereby given that the 37th Annual General Meeting of Shareholders of Span Divergent Limited (Formerly Span Diagnostics Limited) will be held at Science Center Auditorium, City Light Road, Surat – 395 007 on Friday, September 22, 2017 at 11:00 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, 2017, 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, 2017.

2. To appoint a director in place of Mr. Sanjay Mehta (DIN: 00002817) 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 ratification of appointment of M/s. Haribhakti & Co., LLP, Chartered Accountants as Statutory Auditor and fix their remuneration

“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, the appointment of Haribhakti & Co. LLP (Firm Registration Number 103523W) Chartered Accountants, Auditors of the Company, who hold office from the conclusion of 36th annual general meeting till the conclusion of the 40th Annual General Meeting of the Company to be held in the year 2020 on such remunerations as may be agreed upon by Board of Directors in consultation with the said Auditors be and is hereby ratified.

Date: May 11, 2017

Place: Mumbai

For and on behalf of the Board of Directors

Registered Office:

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

**Pankaj Ajmera
Company Secretary**

- 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) Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- c) Members, proxies and authorized representatives are requested to bring to the meeting, the attendance slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
- d) The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of person seeking appointment/reappointment as director under item No. 2 of the Notice are also annexed.
- e) 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.
- f) The Register of Members and the Share Transfer Books of the Company will remain closed on September 12, 2017 to September 22, 2017 (both days inclusive).
- g) 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 49186270, Fax: +91 22 49186060
Email: rmt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

- h) 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.
- i) 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.
- j) 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.
- k) 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.
- l) 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
Unit: Span Divergent Limited
C – 101, 247 Park, L.B.S. Marg,
Vikhroli (West),
Mumbai – 400 083
Telephone No.: +91 22 49186270, Fax: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in

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.spandivergent.com

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.

m) 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 SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 the Company is pleased to provide members facility to exercise their right to vote at the 37th 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:

- The voting period begins on September 19, 2017 (9:00 a.m.) and ends on September 21, (5:00) p.m. During this period shareholder's of the Company, holding shares in physical form or in dematerialized form, as on the cut-off date September 15, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 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 as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format
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. <ul style="list-style-type: none"> Please enter the DOB or Dividend 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 (IV).

- 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 Divergent Limited (Formerly Span Diagnostics Limited) on which you choose to vote.
- 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.
- Click on the RESOLUTIONS FILE LINK if you wish to view the entire Resolution.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on click here to print" option on the Voting Page.
- 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.
- 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.

xix. 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

II. 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 22, 2017 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

III. Once the vote on a resolution is cast by the shareholders, the shareholder shall not be allowed to change it subsequently.

IV. 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.

V. 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.

VI. 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 11, 2017

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: L74999GJ1980PLC003710

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

Name of the Director	Mr. Sanjay Mehta
Age	66
Qualification	Commerce Graduate, Chartered Accountant, Cost & Work Accountant
Experience in Specific functional area	A practicing Chartered Accountant at Mumbai, having post qualification experience of more than 35 years in the area of auditing, corporate advisory services in the field of domestics & international taxation, project finance, working capital appraisals, company law compliance, FEMA regulations, indirect taxes, management accounting etc. He is associated with the Company since its inception and was looking after Finance, Taxation and Company Law matters.
Director Since	
List of Companies in which outside directorship held	1. Span Finstock Pvt Ltd 2. Neogen Chemicals Limited 3. Quest Biochemicals Private Limited
Membership of Committee of the Board of Director of the Company	1. Audit Committee 2. Corporate Social Responsibility Committee 3. Nomination & Remuneration Committee 4. Stakeholders Relationship Committee
Membership in Committee in other Companies	N.A.
No. of Shares held	30,000/-

Date: May 11, 2017

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: L74999GJ1980PLC003710

DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting the 37th 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, 2017.

1. FINANCIAL SUMMARY/PERFORMANCE OF THE COMPANY

The financial performance of the Company for the financial year ended March 31, 2017 along with figures of previous financial year is summarized below:

Particulars	Amount (Rs. In Lacs)	
	2016 - 17	2015 - 16
Total Income	464.21	274.27
Profit/(Loss) before tax, Depreciation and interest (Excluding extraordinary income/(Loss))	(194.33)	(250.91)
Interest	16.54	0.00
Profit/(Loss) before Depreciation	(210.87)	(250.91)
Depreciation	34.27	16.65
Profit/(Loss) before tax	(245.14)	(267.56)
Exceptional Item	0.00	742.04
Profit/(Loss) before tax	(245.14)	474.48
Income Tax Expense	8.50	121.20
Profit/(Loss) after tax	(236.64)	353.28
Profit/(Loss) after tax for the year	(236.64)	353.28
Balance brought forward	4283.37	4248.67
Amount available for appropriation	4046.73	4601.95
Proposed Dividend	Nil	Nil
Dividend Distribution tax	Nil	Nil
Dividend for earlier year (including distribution tax)	Nil	Nil
Transfer to General Reserve	Nil	Nil
Utilization towards Buy Back of Equity Shares	Nil	(137.15)
Transfer to Capital Redemption Reserve	Nil	(181.42)
Balance carried forward	4067.27	4283.37

2. DIVIDEND

Board after detailed deliberation and considering loss during the year under review decided not to recommend any dividend for the financial Year 2016-17.

3. TRANSFER TO RESERVES:

No amount has been transfer to Reserves for the financial year ended on March 31, 2017.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

During the Financial Year 2016-17, the Company has incurred losses and the reason for such loss is that the Company is into initial phase of investments in two business verticals. After sale of *in-vitro* Diagnostics Business to Japanese Company, the Company has started exploring various business opportunities available in Food, Agriculture and Health Care related activities.

Your Board has decided to operate in two business verticals namely Food and Agriculture Business (FAB) and Healthcare and Life Sciences (HCLS). Company will be operating in all the businesses through specific subsidiary firm for each business.

The Details of firm where Company is actively pursuing the business development are as follow:

FAB Verticals:

Dryfruit Factory LLP;

Company is in process of setting up Dry Fruit processing plant near Ahmedabad, Gujarat for processing of Raw Cashew Nuts (RCNs) into finished cashews and commercial production is likely to begin from first quarter of FY2018.

Aranya Agri Biotech LLP:

Company is venturing into Plant Tissue culture business by setting up a business in and around Vadodara, Gujarat. The Company has already acquired an assets of an existing non-operative unit which was in business of Plant Tissue Culture and the Company is planning to make it operational by FY2018.

HCLS Verticals:

BioSpan Scientific LLP

Company will be with a niche and selective product portfolio to service indian customers in Pharmaceuticals, Bio-Pharmaceuticals and Academia Segments. BioSpan Scientific's portfolio focuses on the areas of clean room and contamination control, Microbiology, Protein Research and Scientific Laboratories Products. The commercial operation may start in second quarter of FY 2017-18.

Apart from these above mentioned ventures, the Company is also working on consolidating its presence in the field of Food, Agriculture and Healthcare which will be shared with all stakeholders from time to time.

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 in the process of implementing alternative structures for future lines of businesses. The Company has identified and currently exploring the business in FAB and HCLS verticals.

Research & Development

Subsequent to company transferred its *in-vitro* Diagnostic Business undertaking to M/S. Arkay Healthcare Private Limited, currently there is neither any research nor manufacturing activity in the Company.

Human resources and industrial relations

As on March 31, 2017, Company has 9 employees. The focus of the Company is to enrich its employees by promoting learning & development and providing opportunities for enhancing their knowledge base continuously

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.

7. SUBSIDIARIES AND JOINT VENTURES

Your Company has one wholly owned subsidiary company viz. Span Diagnostics South Africa (Pty) 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 is set out in the prescribed Form AOC – 1 which forms part of the Annual Report.

Span Diagnostics South Africa (PTY) Limited

To have significant presence in strategically important region, the company has 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 and it is identified that Span SA will be strategically important and add value to potential new business of SDL, as per the need of new business demand.

Limited Liabilities Partnerships

During the year 2015 - 16, Company had incorporated new LLPs as under to carry out new businesses in FAB and HCLS verticals in respective entities.

1. Dryfruit Factory LLP

During the FY2017 Dryfruit Factory LLP has done turnover of Rs. 66.88 Lacs and incurred loss of Rs. 68.60 Lacs during the year. Processing of Raw Cashew Nuts are likely to start from 2nd Quarter of FY2018.

2. Aranya Agri Biotech LLP

During the FY2017 Aranya Agri Biotech LLP has done turnover of Rs. 2.79 Lacs and incurred loss of Rs. 54.33 Lacs during the year. Full-fledge commercial activities going to start from 2nd Quarter of FY2018.

3. Biospan Scientific LLP

During the FY2017 Biospan Scientific LLP has not started any operations and has incurred loss of Rs. 52.37 Lacs during the year.

4. Span Diagnostics Products LLP

During the FY2017 Span Diagnostics Products LLP has not started any operations and has incurred loss of Rs. 0.09 Lacs during the year.

The Company is acting as designated partner in all the LLPs through its representative. The above said LLPs have initiated steps to set up the business but are expected to become operational in ensuing year.

8. FIXED DEPOSITS

We have not accepted any fixed deposits and as such no amount of principal or interest was outstanding as of balance-sheet date.

9. PARTICULARS OF EMPLOYEES

During the financial year 2016-17, 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.

10. STATUTORY AUDITORS & THEIR REPORT

At the Annual General Meeting held on September 20, 2015, M/s. Haribhakti & Co LLP., Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office from conclusion of 36th Annual General Meeting till the conclusion of 40th the Annual General Meeting to be held in the year 2020 subject to ratification of appointment of statutory auditor by shareholders at every annual general meeting. Accordingly, the ratification of appointment of Haribhakti & Co., LLP Chartered Accountants, as statutory auditors of the Company, is placed for approval by the Shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

There are no qualifications or adverse remarks in the Auditors' Report, which require any clarification / explanation. The Notes on financial statements are self-explanatory and needs no further explanation.

The Notes on accounts, referred to in the Auditor's Report, are self explanatory and therefore do not call for any further comments.

11. SHARE CAPITAL

The paid up equity capital of the Company as on March 31, 2017 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.

12. 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 B" to the Board's Report.

13. 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 the Company is in the process of establishing new business after sale of its In-Vitro Diagnostics Business and office is an administrative office only and no manufacturing activity have been carried out during the year. Conclusion in the office all the lights used are LED lights and all air-conditioners are rated 5 star for every efficiency.

14. TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNING & OUTGO

The particulars are attached in “Annexure 'A'” of this report.

15. CORPORATE SOCIAL RESPONSIBILITY

As part of Initiative under “Corporate Social Responsibility”, the Company constituted “Corporate Social Responsibility Committee” under the Chairmanship of an Independent Director Mr. Kamlesh Patel.

During the year under review, Company had contributed funds for medical aid. The contribution in this regard has been made to the Registered Trust.

The Annual Report on CSR Activities is annexed as “Annexure C” to the Board's Report.

16. DIRECTORS/KEY MANAGERIAL PERSONNEL

Name of the Director	Designation
Sanjay Natwarlal Mehta	Director
Pradipkumar Keshavlal Desai	Director
Lataben Pradipkumar Desai	Woman Director
Pranav Sureshbhai Desai	Director
Viral Pradipkumar Desai	Managing Director
Sushil Kanubhai Shah	Independent Director
Shyamal Ghosh	Independent Director
Kamlesh Maganlal Patel	Independent Director
Needamangalam Gopalaswami	Independent Director
Mr. Pankaj Ajmera	Company Secretary
Mr. Minesh Mohanbhai Patel	Chief Finance Officer (CFO) upto January 31, 2017
Mr. Samkit Mehta	Chief Finance Officer (CFO) w.e.f February 01, 2017

17. INDEPENDENT DIRECTORS DECLARATION

All independent directors have separately submitted a declaration that each of them meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013. Further there has been no change in the circumstances which may affect their status as Independent Director during the year.

18. BOARD MEETINGS

An agenda of the meetings is prepared and circulated in advance to the Directors. During the year Five 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.

19. 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 as collated by the nomination remuneration committee.

None of the independent directors are due for re-appointment.

20. 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 have been appointed as an Independent Directors of the Company for term of 5 (Five) years. None of the Directors will retire at the ensuing Annual General Meeting.

21. RETIREMENTS, RESIGNATIONS AND CHANGE IN THE DESIGNATION :

- I. Mr. Sanjay Mehta, 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. During the year Mr. Viral Pradipkumar Desai was reappointed as Managing Director of the Company with effect from July 01, 2016 for a further period of 3 years.
- III. Mr. Minesh Patel, Chief Finance officer re-designated Senior Office – Finance & Accounts with effect from February 01, 2017.
- IV. Mr. Samkit Mehta was appointed as Chief Finance Officer of the Company with effect from February 01, 2017.

22. AUDIT COMMITTEE :

The Audit Committee was reconstituted on May 15, 2013. The Committee comprises of three Independent Directors, namely Mr. Shyamal Ghosh, Chairman, Mr. N. Gopalaswami, Mr. Kamlesh M. Patel and Mr. Sanjay N. Mehta (Non Executive Directors). Mr. Pankaj Ajmera, Company Secretary acts as the secretary to the Audit Committee. The composition and the Terms of Reference of the Audit Committee meet with the requirements of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

There were four meetings held during the year.

Attendance of each member at the Audit Committee meetings held during the year

Name of Members	No. of Meetings held	No. of Meetings Attended
Mr. Shyamal Ghosh, Chairman	4	4
Mr. N. Gopalaswami	4	3
Mr. Sanjay N. Mehta	4	4
Mr. Kamlesh M. Patel	4	2

23. 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 formulated policy on "Protection of Women's Rights at Workplace" as per the provisions of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. This has been widely disseminated. There was no cases of sexual harassment complaints received by the Company in the financial year 2016 - 17.

24. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was reconstituted on May 23, 2014. The Nomination and Remuneration Committee comprises of four directors of which two directors are independent directors & one Non Executive Director.

There was a two nomination and remuneration committee meeting held during the year.

Attendance of each member at the Nomination and Remuneration Committee held during the year.

Name of Members	No. of Meetings held	No. of Meetings attended	Designation
Mr. Shyamal Ghosh, Chairman	2	2	Independent Non-Executive Director
Mr. N. Gopalaswami	2	2	Non Executive Director
Mr. Sanjay N. Mehta	2	2	Independent & Non-Executive Director
Mr. Viral P. Desai	2	2	Managing Director

The main term of reference of Nomination and Remuneration Committee is to review and recommend the revision in remuneration of managerial personnel to the Board of Directors. The Nomination and 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 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.

25. LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

26. RELATED PARTY TRANSACTIONS

All related party transactions that 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 place before the Audit Committee as also the Board for approval. You may refer to related party transactions in note No. 29 of the Stand Alone Financial Statements.

27. MANAGERIAL REMUNERATION :

Name of the Director	Designation	Remuneration in the year 2017 in Rs.	Remuneration in the year 2016 in Rs.	Sitting fees in the F.Y. 2017
Sanjay Natwarlal Mehta	Director	NIL	NIL	45,000
Pradipkumar Keshavlal Desai	Director	NIL	NIL	25,000
Lataben Pradipkumar Desai	Woman Director	NIL	NIL	20,000
Pranav Sureshbhai Desai	Director	NIL	NIL	10,000
Viral Pradipkumar Desai	Managing Director	71,07,000	52,70,160	NIL
Sushil Kanubhai Shah	Independent Director	NIL	NIL	10,000
Shyamal Ghosh	Independent Director	NIL	NIL	40,000
Kamlesh Maganlal Patel	Independent Director	NIL	NIL	25,000
Needamangalam Gopalaswami	Independent Director	NIL	NIL	30,000
Pankaj Ajmera	Company Secretary	1,18,032	1,04,416	NA
Mr. Minesh Patel*	Chief Financial Officer	2,49,411	2,65,628	NA
Mr. Samkit Mehta*	Chief Financial Officer	3,25,383	NA	NA