



38th ANNUAL REPORT 2017 - 18

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

Ms. Samiksha Kansara (w.e.f. September 01, 2017)

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,
Prahlad 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 38th Annual General Meeting of Shareholders of Span Divergent Limited (Formerly Span Diagnostics Limited) will be held at Hall at 1st Floor, The Southern Gujarat Chamber of Commerce and Industries, Samrudhdhi, Makkai Pool, Nanpura, Surat – 395 001 on Friday, September 28, 2018 at 11:00 A.M. to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt:
 - The Audited Financial Statements of the Company for the year ended on March 31, 2018, and the Reports of the Board of Directors and Auditors thereon.
 - The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018.
- To appoint a director in place of Ms. Lataben P. Desai (DIN: 00026472) who retires by rotation and being eligible, offer herself for reappointment
- 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 is hereby ratified.

Date: May 16, 2018

Place: Surat

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

**Samiksha Kansara
Company Secretary**

Notes :

- 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.
- 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.
- 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.
- 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.
- 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.
- The Register of Members and the Share Transfer Books of the Company will remain closed on September 18, 2018 to September 28, 2018 (both days inclusive).
- 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: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

- 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.
- 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.
- Pursuant to SEBI Circular, it is mandatory to provide PAN for transfer/transmission of shares in physical form. Therefore, transferee(s) / legal heirs are required to furnish a copy of their PAN to the Registrar and Transfer agents, M/s. Link Intime India Private Limited. Shareholders are further requested to get their KYC details of registered and / or joint holders updated with Company's Registrar and Transfer agents, M/s. Link Intime India Private Limited.

Shareholder holding shares in physical form shall fill KYC form attached in Annual Report and submit to Company's Registrar & Share Transfer Agent M/s. Link Intime India Private Limited.

BSE has issued a Circular to Listed Companies on July 05, 2018 informing about amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only. Thus transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository with effect from December 05, 2018. Accordingly physical transfer securities will not be permitted beyond December 05, 2018. It was further clarified as under by SEBI.

- a) the amendment does not prohibit the investor from holding the shares in physical form, investor has the option of holding shares in physical form even after December 5, 2018.
- b) The amendment is not applicable for transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. arrangement / interchanging of the order of name of shareholder) cases.
- c) Any investor who is desirous of transferring shares (which are held in physical form) after December 05, 2018 can do only after the shares are dematerialized. Investor may refer to SEBI CIR/MRD/DP/22/2012 dated August 27, 2012 for details relating to Basic Services Demat Account facility.
- k) 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.
- l) 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.

m) 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 / www.span.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.

n) 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 38th 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 25, 2018 (9:00 a.m.) and ends on September 27, (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 21, 2018, 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) 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.
Dividend Bank details# OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. 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"> If both 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.

- xiii. Click on the RESOLUTIONS FILE LINK if you wish to view the entire Resolution.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on click here to print" option on the Voting Page.
- xvii. 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.
- xviii. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix. 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.
- xx. 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 electronically can exercise their voting rights at the Annual General Meeting venue and the member who have not casted their vote by remote e-voting can exercise their right during the meeting on September 28, 2018 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 casted 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 casted 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 16, 2018

Place: Surat

For and on behalf of the Board of Directors

Samiksha Kansara
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	Ms. Lataben P Desai
Age	77
Qualification	Arts Graduate
Experience in Specific functional area	She has experience in the field of Business Management and Administration.
Director Since	August 08, 2014
List of Companies in which outside directorship held	Nil.
Membership of Committee of the Board of Director of the Company	Nil.
Membership in Committee in other Companies	N.A.
No. of Shares held	841040/-

Date: May 16, 2018

Place: Surat

For and on behalf of the Board of Directors

Samiksha Kansara
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 38th 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, 2018.

1. FINANCIAL SUMMARY/PERFORMANCE OF THE COMPANY

The financial performance of the Company for the financial year ended March 31, 2018 along with figures of previous financial year is summarized below:

Particulars	Amount (Rs. In Lacs)	
	2017 - 18	2016 - 17
Total Revenue	510.73	640.26
Profit/(Loss) before tax, Depreciation and interest (Excluding extraordinary income/(Loss))	(87.70)	(17.81)
Less: Finance Cost	(70.43)	(16.54)
Profit/(Loss) before Depreciation	(158.13)	(34.35)
Less: Depreciation	(55.56)	(34.28)
Profit/(Loss) before tax	(213.69)	(68.63)
Exceptional Item	(63.95)	0.00
Profit/(Loss) before tax	(277.65)	(68.63)
Income Tax Expense	(30.23)	(15.85)
Profit/(Loss) for the period from continuing operations	(307.88)	(84.48)
Other comprehensive income		
Remeasurement costs of Post employment benefits	(0.31)	(0.28)
Deferred tax on post employment	0.11	0.10
Other comprehensive income for the year, net of tax	(0.20)	(0.18)
Total comprehensive income for the year	(308.09)	(84.67)
Earnings per equity share for profit from operation attributable to owners of the entity:		
Basic earnings per share	(5.64)	(1.55)
Diluted earnings per share	(5.64)	(1.55)

2. First-time adoption of IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April, 2017 with transition date of April 01, 2016. These financial statements for the year ended on March 31, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods up to and including the year ended March 31, 2017 the Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended on March 31, 2018 together with the comparative information as at and for the year ended on March 31, 2017 and the opening Ind AS Balance Sheet as at April 01, 2016 the date of transition to Ind AS.

3. DIVIDEND

Board after detailed deliberation and considering loss incurred during the year under review decided not to recommend any dividend for the financial Year 2017-18.

The dividend declared/recommended is in accordance with the principles and criteria as set out in the Dividend Distribution Policy. The Dividend Distribution Policy of the Company is set out as **Annexure A**

4. TRANSFER TO RESERVES:

No amount has been transfer to Reserves for the financial year ended on March 31, 2018.

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

During the Financial Year 2017-18, the Company has incurred losses. The principal reasons for such loss are attributed to the fact that the Company's investments are in two business verticals, which are into start-up phase. After sale of In-Vitro Diagnostics Business of the Company to Japanese Company, the Company explored various business opportunities and decided to venture into Food & Agriculture (FAB) and Health Care & Life Science (HCLS) related businesses.

Company is operating in all the businesses through specific subsidiary firm formed for each of the businesses.

The details of firms, where Company is actively pursuing the business development are as follows:

FAB Verticals:

Dryfruit Factory LLP :

Company has completed process of setting up Dry Fruits processing plant near Ahmedabad, Gujarat for processing of Raw Cashew Nuts (RCNs) into finished Cashews and commercial production has begun from second quarter of FY2018.

Aranya Agri Biotech LLP:

Company has ventured in to Plant Tissue Culture business by setting up a business in and around Vadodara, Gujarat. The Company has already acquired asset of an existing non-operative unit which was in the business of Plant Tissue Culture, which has helped Company getting strong head way in starting its operation and the Company became fully operational, in second half of FY2018.

Desai Farmharvest LLP:

No operation has started in this company. It will be operational at an appropriate time in line with the overall strategy of the Company.

HCLS Vertical:**BioSpan Scientific LLP**

Company has introduced a niche and selective product portfolio to serve Indian customers in Health Care and Academia segments. BioSpan Scientific's portfolio focuses on the areas of Microbiology, Protein Research and Scientific Laboratory Products. The full-fledged commercial operations will start in third quarter of FY 2018.

BioSpan Contamination Control Solutions Private Limited: (BSCCS)

BSCCS is a joint venture formed between Span Divergent Ltd. and Micronclean, UK, with Span having 67 % equity stake. It caters to the niche segment of Pharmaceutical and Biotechnology industry having clean room consumable requirement. The products are imported from Joint Venture partner Parent company from UK and other reputed companies world-wide operating in the same segment.

Span Diagnostics LLP

No operation has started in this company. It will be operational at an appropriate time in line with the overall strategy of the Company.

Apart from 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 the stake holders from time-to-time.

Industry Structure, Development & outlook

The Company, after selling its IVD Business Undertaking through Slump Sale to M/S. Arkray Healthcare Private Limited has invested in the business in FAB and HCLS verticals and operating businesses through its Subsidiaries. The Company is mainly providing support to all the entities in terms of business management, financial, technical and operational expertise. Additionally it also gets involved in monitoring and guiding all the entities in various compliances, providing them a vital support in networking, liaising and building business in each of these entities.

Company will continue to look for further opportunities in these segments for further consolidating the business.

Research & Development

As Company is operating through its subsidiary, it is not having any R&D activities.

Human Resources and Industrial Relations

As on March 31, 2018, Company has 10 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 continued to have cordial and harmonious relations with its employees. During the year under review, various training and development workshops were continued to be conducted to improve the competency level of employees with an objective to improve the operational performance of individuals. The Company strives to empower its employees to take up independent responsibility and thereby reaping the benefits of diverse skills set of all employees.

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

There were no significant material orders 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, 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.

During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

8. SUBSIDIARIES AND JOINT VENTURES

Your Company has wholly owned overseas subsidiary company viz. Span Diagnostics South Africa (Pty) Limited and during the year under review, M/s. BioSpan Contamination Control Solutions Private Limited has become joint venture subsidiary company with effect from September 18, 2017 i.e. date of its Incorporation. 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 are set out in the prescribed Form AOC - 1 which forms part of the Annual Report.

Span Diagnostics South Africa (PTY) Limited

To explore the business potential 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.

Biospan Contamination Control Solutions Private Limited (BSCCS)

BSCCS is a joint venture formed between Span Divergent Ltd. and Micronclean, UK, with Span having 67 % equity stake. It caters to the niche segment of Pharmaceutical and Biotechnology industry having clean room consumable requirement. The products are imported from Joint Venture partner Parent Company from UK and other reputed companies world-wide operating in the same segment.

Limited Liabilities Partnerships

Company had incorporated new LLPs as under to carry out new businesses in FAB and HCLS verticals in respective entities.

1. Dryfruit Factory LLP

Company had completed process of setting up Dry Fruits processing plant near Ahmedabad, Gujarat for processing of Raw Cashew Nuts (RCNs) into finished Cashews and commercial production has begun from second quarter of FY2018.

Aranya Agri Biotech LLP:

Company has ventured in to Plant Tissue Culture business by setting up a business in and around Vadodara, Gujarat. The Company has already acquired asset of an existing non-operative unit which was in the business of Plant Tissue Culture, which has helped Company getting strong head way in starting its operation and the Company become fully operational, in second half of FY2018.

Desai Farmharvest LLP:

No operation has started in this company. It will be operational at an appropriate time in line with the overall strategy of the Company.

BioSpan Scientific LLP

Company has introduced a niche and selective product portfolio to serve Indian customers in Health Care and Academia segments. BioSpan Scientific's portfolio focuses on the areas of Microbiology, Protein Research and Scientific Laboratory Products. The full-fledged commercial operations will start in third quarter of FY 2018-19.

Span Diagnostics LLP

No operation has started in this company. It will be operational at an appropriate time in line with the overall strategy of the Company.

9. FIXED DEPOSITS

Company have not accepted any fixed deposits and as such no amount of principal or interest was outstanding as of Balance-Sheet Date.

10. PARTICULARS OF EMPLOYEES

During the financial year 2017-18, 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.

The information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure - C forming part of the Report. None of the employees listed in the said Annexure is related to any Director of the Company.

11. 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.

12. SHARE CAPITAL

The paid up equity capital of the Company as on March 31, 2018 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.

13. 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 E" to the Board's Report.

14. 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 its office is an administrative office only and no manufacturing activity have been carried out during the year. However in the office all the lights used are LED lights and all air-conditioners are rated 5 star for every efficiency and operated at optimum temperature to conserve the electricity.

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

The particulars are attached in "Annexure C" of this report.

16. 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 F" to the Board's Report.

17. 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 upto August 31, 2017
Ms. Samiksha Kansara	Company Secretary w.e.f September 01, 2017
Mr. Minesh Mohanbhai Patel	Chief Finance Officer (CFO) w.e.f February 06, 2018
Mr. Samkit Mehta	Chief Finance Officer (CFO) upto August 15, 2017

18. 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.

19. BOARD MEETINGS

An agenda of the meeting 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.

20. 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.

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and Individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, Information and functioning etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee (NRC) reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

21. 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 Independent Directors of the Company for term of 5 (Five) years. None of the Directors will retire at the ensuing Annual General Meeting.

22. RETIREMENTS, RESIGNATIONS AND CHANGE IN THE DESIGNATION :

- I. Ms. Lataben P Desai, Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself 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. Mr. Minesh Patel, Senior Officer – Finance & Accounts was re-designated as Chief Finance Officer of the Company with effect from February 06, 2018.
- III. Ms. Samiksha Kansara was appointed as Company Secretary of the Company with effect from September 01, 2017.
- IV. Mr. Samkit Mehta had resigned as Chief Finance Officer of the Company with effect from August 15, 2017.
- V. Mr. Pankaj Ajmera had resigned as Company Secretary of the Company with effect from August 31, 2017.

23. 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). Ms. Samiksha Kansara, Company Secretary acts as the secretary to the Audit Committee with effect from September 01, 2017. 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	3
Mr. N. Gopalaswami	4	3
Mr. Sanjay N. Mehta	4	4
Mr. Kamlesh M. Patel	4	2

24. 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 2017 - 18.

25. 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 were a two nomination and remuneration committee meeting held during the year.

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

Name of Members	No. of Meetings held	No. of Meetings attended	Designation
Mr. Shyamal Ghosh, Chairman	2	1	Independent Non-Executive Director
Mr. Sanjay N. Mehta	2	2	Non Executive Director
Mr. N. Gopalaswami	2	1	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.

26. LOANS, GUARANTEES AND INVESTMENTS

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

27. 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 placed before the Audit Committee and the Board for approval. You may refer to related party transactions in note No. 28 of the Stand Alone Financial Statements.

Prescribed form AOC - 2, pursuant to Section 134 (3) (h) of the Companies Act, 2013 & Rule 8(2) of the Companies (Accounts) Rules, 2014, is furnished as Annexure - D to this report.

28. MANAGERIAL REMUNERATION :

Name of the Director	Designation	Remuneration in the year 2018 in Rs.	Remuneration in the year 2017 in Rs.	Sitting fees in the F.Y. 2018
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	5,000
Viral Pradipkumar Desai	Managing Director	85,95,000	72,00,000	NIL
Sushil Kanubhai Shah	Independent Director	NIL	NIL	10,000
Shyamal Ghosh	Independent Director	NIL	NIL	35,000
Kamlesh Maganlal Patel	Independent Director	NIL	NIL	20,000
Needamangalam Gopalswami	Independent Director	NIL	NIL	35,000
Pankaj Ajmera	Company Secretary	49,220	1,18,032	NA
Minesh Patel*	Chief Financial Officer	60,932	2,34,250	NA
Samkit Mehta*	Chief Financial Officer	6,68,966	3,00,550	NA
Samiksha Kansara*	Company Secretary	1,12,000	NA	NA

The median remuneration of the employee of the Company for the year 2017 - 18 is Rs. 1,20,515 as against Rs. 5,37,635 for the year 2016 - 17. During the year median remuneration is decreased by 77.58%. There were 10 employees on rolls of the Company at the end of the financial year i.e March 31, 2018. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay was linked to organization performance.

Sr. No.	Name of Director	Remuneration	Ratio of Remuneration to the median remuneration of the employees
01.	Mr. Viral P Desai	85,95,000	71.32

During the year under review, there was no increase in remuneration of the Managing Director Mr. Viral P Desai who is reappointed for a further period of 3 years with effect from July 01, 2016 except payment of leave encashment made during year and provision made for super annuation fund.

The further information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company will be provided upon request. In terms of Section 136 of the Act, the Reports and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees particulars which is available for inspection by the members at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting.

29. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT :

Mitesh Rana & Co., Company Secretaries, Vadodara, was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2017 - 18, as required under Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration) Rules, 2014. The Secretarial Audit Report for FY 2017-18 forms part of the Annual Report as Annexed to the Board's Report.

A Secretarial Audit Report given by Mitesh Rana & Co., a company secretary in practice shall be annexed with the report.

Secretarial Auditor's Report, are self explanatory and therefore do not call for any further comments.

30. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE :

A report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 forms part of the Annual Report.

The certificate from the Auditors of company M/s. Haribhakti & Co LLP., confirming compliance with the conditions of Corporate Governance is attached to this Report.

31. COST AUDITORS

During the year under review, company have not carried out any operation. In view of the same and as confirmed by the cost auditor of the Company, cost audit is not applicable to the Company for the year 2018-19.

32. RISK MANAGEMENT

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary