

<b>BOARD OF DIRECTORS</b>	Dr. Ramnik H. Parekh	Chairman
	Smt. Lata P. Desai	Director
	Dr. Pranav S. Desai	Director
	Shri Shyamal Ghosh	Director
	Shri Sarvajna G. Kazi (upto 26-10-2009)	Director
	Shri Sanjay N. Mehta	Director
	Dr. Sushil K. Shah	Director
	Shri S.Sundaresan	Director
	Shri Kamlesh Patel	Additional Director
	Dr. Pradip K. Desai	Whole-time Director
	Shri Veeral P.Desai	Managing Director
	Dr. Madhukanta T. Patel	Technical Director
	Mr. N. Gopaldaswami (w.e.f. 26-10-2009)	Alternate Director to Shri Sarvajna Kazi

<b>BANKERS</b>	Kotak Mahindra Bank Ltd. K.G. Point, Ghod Dod Road Near Ganga Palace Surat - 395 007
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<b>AUDITORS</b>	M/s. Y. B. Desai & Associates Chartered Accountants Surat
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<b>HEAD OFFICE &amp; REGISTERED OFFICE</b>	173-B, New Industrial Estate Road No.6-G, Udhna Udyognagar Udhna, Surat 394210, India
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## NOTICE

### To THE MEMBERS OF SPAN DIAGNOSTICS LIMITED

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting of Shareholders of Span Diagnostics Limited will be held at Registered Office at Plot No 173-B, New Industrial Estate, Road No.6-G, Udhna, Surat 394 210 on Saturday, the 17<sup>th</sup> Day of July, 2010 at 11.00 A.M. to transact the following business:-

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a director in place of Dr. Sushil Shah who retires by rotation and being eligible, offer himself for reappointment.
4. To appoint a director in place of Mr. S. Sundaresan who retires by rotation and being eligible, offer himself for reappointment.
5. To appoint a director in place of Mr. Shyamal Ghosh who retires by rotation and being eligible, offer himself for reappointment.
6. To appoint Auditors and fix their remuneration and if thought fit, to pass the following resolution with or without modification as an Ordinary resolution:-

**"RESOLVED THAT** pursuant to the provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956 M/s. Haribhakti & Co., Chartered Accountants be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company in place of M/s. Y.B. Desai & Associates, Chartered Accountants, the retiring Auditors of the Company, on such remuneration as may be fixed by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary to implement this resolution."

#### SPECIAL BUSINESS

7. To consider and, if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution.
  - (a) **"RESOLVED THAT** pursuant to section 94 and other applicable provisions, if any, of the Companies Act, 1956 the Authorised Share Capital of the Company be increased from Rs. 5,00,00,000/- (Rupees Five Crore only) divided in to 50,00,000 (Fifty Lac) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 15,00,00,000/- (Rupees Fifteen Crore only) divided in to 1,50,00,000 (One Crore Fifty Lac) equity shares of Rs. 10/- (Rupees Ten) each.
  - (b) **FURTHER RESOLVED THAT** the words 'The Authorised Share Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crore only) divided in to 1,50,00,000 (One Crore Fifty Lac) equity shares of Rs. 10/- (Rupees Ten) each' be substituted for the words, 'The Authorised Share Capital of the Company is Rs 5,00,00,000/- (Rupees Five Crore only) divided in to 50,00,000 ( Fifty Lac) equity shares of Rs. 10/- (Rupees Ten) each under Capital clause of the Memorandum of Association of the Company."
8. To consider and, if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution.

**"RESOLVED THAT** in accordance with the applicable provisions of the Companies Act, 1956, and Article 242 of the Articles of Association of the Company and subject to guidelines issued by the Securities and Exchange Board of India (SEBI) in this behalf and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities, consent be and is hereby accorded to the Board of Directors of the Company for capitalisation of a sum not exceeding Rs.3,63,80,000/- from securities premium account of the company for the purpose of issue of the Bonus shares of Rs. 10 (Rupees ten) each, credited as fully paid-up to holders of equity shares of the Company whose names shall appear in the Register of Members on the 'Record Date' determined by the Board for the purpose, in the proportion of 1 (One) Bonus Share of Rs. 10 (Rupees Ten) each for every 1 (One) fully paid equity share of Rs. 10 (Rupees Ten) held by them and that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the Paid Up Share Capital of the Company held by each of such member, and not as income.

**RESOLVED FURTHER THAT** the Bonus Shares so issued shall rank pari passu in all respects with the fully paid up equity shares of the Company as existing on the Record Date, save and except that they shall not be entitled to any dividend for the financial year ended 31<sup>st</sup> March 2010 and any other dividend that may be declared before the 'Record Date'

**RESOLVED FURTHER THAT** the Bonus Shares so allotted shall always be subject to the terms and conditions in the Memorandum & Articles of Association of the Company.

**RESOLVED FURTHER THAT** no letter of allotment shall be issued in respect of the Bonus shares and in the case of members who hold shares or opt to receive the shares in dematerialised form, the Bonus shares shall be credited to the

respective beneficiary accounts of the members with their respective Depository Participants and in the case of members who hold equity shares in certificate form, the share certificates in respect of the Bonus shares shall be dispatched, within such time as prescribed by law and relevant authorities.

**RESOLVED FURTHER THAT** the issue and allotment of the Bonus shares to Non-resident members & other foreign investors, be subject to the approval of the Reserve bank of India under the Foreign Exchange Management Act, 1999 including any statutory modification(s) or re-enactment thereof for the time being in force

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take necessary steps for listing of such shares on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreement with concerned Stock Exchanges and other applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, things and deeds and to give such directions as may be necessary or expedient and to settle any questions, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decisions shall be final and binding."

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

"**RESOLVED THAT** pursuant to section 309 and section 314 of the Companies Act, 1956 and all other applicable provisions if any, of the said Act, and subject to approval of Central Government, if any, the Company do hereby accord consent and approves reappointment of Mr. Shyamal Ghosh, Director of the Company as a Management Consultant on a fees not exceeding sum of Rs. 3,00,000/- (Rs. Three Lacs only) plus applicable taxes per annum for rendering service in respect of Finance and Business Management in his capacity as a Management Consultant with effect from 01-11-2009 for a period of 3 years."

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

"**RESOLVED THAT** pursuant to section 314 and other applicable provisions of the Companies Act, 1956, the Company hereby consents to M/s. Akkad Mehta & Co., a partnership firm in which Mr. Sanjay N. Mehta, a Director of this Company is a partner holding and continuing to hold an office as a advisors to the Company on a remuneration not exceeding Rs. 6,00,000/- per annum effective from 01-05-2010."

Date: 5<sup>th</sup> June 2010  
Surat

For and on behalf of the Board of Directors

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

V. P. Desai  
Managing Director

**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 Register of Members and the share transfer books of the company will remain closed on 22<sup>nd</sup> June 2010
- (c) An explanatory statement pursuant to Section 173 of the Companies Act, 1956 relating to Special Business is annexed hereto.
- (d) Link Intime India Private Limited (formerly known as Intime Spectrum Registry 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 (formerly known as Intime Spectrum Registry 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: mumbai@linkintime.co.in
- (e) 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.
- (f) 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.
- (g) Members seeking further information on the Accounts or any other matter contained in the notice are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.

**Explanatory statement pursuant to provisions of Section 173 of the Companies Act 1956 and information pursuant to Clause 49 of the Listing Agreement**

**Resolution at Item No. 7:**

In view of issue of the Bonus Shares being considered a need has arisen to increase the Authorised Share Capital of the Company. The present Authorised Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crore) divided in to 50,00,000 (Fifty Lac) equity shares of Rs. 10 (Rupees Ten) the limit of which would be crossed in case of issue of the Bonus Shares. The Board therefore decided that the Authorised share capital of the Company be increased to Rs. 15,00,00,000 (Rupees Fifteen Crore) divided in to 1,50,00,000 (One Crore Fifty Lac) equity shares of Rs. 10 (Rupees Ten) each.

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

None of the Directors are interested or concerned in the proposed resolution.

**Resolution at Item No. 8:**

Your Directors proposes to issue of the shares by way of Bonus by increasing the Issued, Subscribed and Paid up share capital of the Company by capitalising a sum not exceeding Rs. 3,63,80,000/- from Securities Premium Account as per Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March 2010 and the same is proposed to be applied in paying up in full not exceeding 36,38,000 equity shares of the Rs. 10 each.

The fully paid Bonus Shares shall be distributed to the members of your Company, whose names shall appear in its Register of Members on the Record Date determined by Board of Directors of your Company for purpose of issue of Bonus Shares, in proportion of 1 (One) Bonus Share of Rs. 10 (Rupees Ten) each for every 1 (One) fully paid equity share of Rs. 10 (Rupees Ten) held by them on the Record Date to be fixed in consultation with the Stock Exchange Mumbai.

The Bonus Shares so issued shall rank pari passu in all respects with the fully paid up equity shares of the Company as existing on the Record Date, save and except that they shall not be entitled to any dividend for the financial year ended 31<sup>st</sup> March 2010 and any other dividend that may be declared before the 'Record Date'.

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

The Directors of your Company are interested in this resolution to the extent their respective shareholding in the Company.

**Resolution at Item No. 9:**

Mr. Shyamal Ghosh, Independent & Non-executive Director of the Company as well as Chairman of the Audit Committee acts as a Management Consultant to the company. Mr. Shyamal Ghosh belonged to the Indian Administrative Service. Mr. Ghosh has held various senior positions in both the State Government of Gujarat and Government of India. The Company has been greatly benefited by his vast experience in Administration and Business Management and has decided to reappointment him as a Management Consultant and increase his remuneration not exceeding Rs. 3,00,000/- (Rupees Three Lac) plus applicable taxes per annum w.e.f. 01-11-2009.

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

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

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

**Resolution at Item No. 10:**

M/s. Akkad Mehta & Co. has a professional relationship with the Company and renders advisory services in connection with the Business, Corporate Tax, FEMA & Financial Management of the Company. Mr. Sanjay N. Mehta, Non-Executive Director of the Company is a partner in the said firm. The remuneration of M/s. Akkad Mehta & Co. has not been revised since 1994. Hence the Board has recommended payment of remuneration not exceeding Rs. 6,00,000/- per annum (Rupees Six Lac) plus applicable taxes per annum w.e.f. 01-05-2010.

Under the provisions of section 314 of the Companies Act, 1956, the fees payable to a firm in which a Director is a partner would amount to holding office or place of profit which will require special resolution under section 314 and subject to prior approval of the Central Government if required.

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

None of the Directors except Mr. Sanjay N. Mehta are interested or concerned in the proposed resolution.

**Date: 5<sup>th</sup> June 2010**  
**Surat**

**For and on behalf of the Board of Directors**

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

**V. P. Desai**  
**Managing Director**

## DIRECTORS' REPORT

To,  
**The Shareholders,**

Your Directors have pleasure in presenting the 30th Annual Report of the Company together with the Audited Accounts for the year ended on 31st March 2010.

### FINANCIAL RESULTS

The financial performance of the company for the financial year ended 31st March 2010 along with figures of previous financial year is summarized below:

	Rs. In lacs	
	2009-10	2008-09
<b>Sales and other Income</b>	8187.28	6956.14
<b>Operating Profit :</b>	<b>1224.43</b>	<b>889.60</b>
Profit before tax, Depreciation and interest (Excluding extraordinary income and Foreign exchange Gain/Loss)		
Interest	311.28	368.34
Foreign exchange (Gain)/Loss	(61.51)	106.78
Extraordinary (Income)/Loss	-	-
Profit before Depreciation	974.66	414.48
Depreciation	208.60	182.07
<b>Profit before tax</b>	<b>768.06</b>	<b>232.41</b>
Provision of tax - Current	250.00	43.50
- Deferred Tax	(7.40)	53.83
- Fringe Benefit Tax	-	12.90
Prior period adjustments including provision for tax	(13.49)	14.88
<b>Profit for the year</b>	<b>538.95</b>	<b>107.30</b>
Balance brought forward	411.12	338.83
<b>Amount available for appropriation</b>	<b>950.07</b>	<b>446.13</b>
<b>APPROPRIATIONS</b>		
Proposed Dividend	86.82	Nil
Dividend Distribution tax	14.75	Nil
Transfer to General Reserve	55.00	35.00
<b>Balance carried forward</b>	<b>793.50</b>	411.13
	<b>950.07</b>	<b>446.13</b>

### DIVIDEND

Your directors have recommended Rs.2.5 per share as dividend for the financial year ended 31<sup>st</sup> March 2010 aggregating to Rs.101.57 lacs including the dividend distribution tax. Equity shares allotted on conversion of convertible share warrants before book closure for payment of dividend is entitled to receive full dividend. Therefore the amount of proposed dividend will be increased to the tune of Rs.4.13 Lacs.

### BONUS SHARES

The Board of Directors, have at their Board Meeting held on 5<sup>th</sup> June 2010, recommended the issue of Bonus Shares in the ratio of one Bonus Equity Share for every one Equity Share of Rs.10/- each held on the Record Date to be fixed in consultation with the stock exchange and subject to the approval of the shareholders and other requisite approvals.

The Bonus shares are entitled to receive dividend that may be declared / paid on or after the allotment of Bonus shares for the financial year ending 31<sup>st</sup> March 2011.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Industry outlook

The in-vitro Diagnostic industry in India has maintained its positive growth momentum of 13-15% and considering the general positive sentiments in Indian economy it will continue to display similar growth. At product level, industry is at cross roads and ample opportunities have become visible for expansion in instrument based diagnosis as well as non-instrumental tests. Your company is strong in non-instrumental tests and now will also be focusing on instrument-reagent bundling along with addition of new products in both categories.

As growth opportunities in the developed countries are limited, focus on India and China has increased tremendously and more companies are coming out with India-centric products and strategies. This poses threat as well as opening lot of avenues for market expansion.

### **Operations review**

Sales & Other income for the year increased to Rs. 8187.28 Lacs (Rs.6956.14 lacs in 2008-09) showing a growth of 17.70% over previous year. During the year, the company has executed tenders aggregating to Rs. 28 Crores under various domestic and international programs to fight AIDS and Malaria.

During this year your company has registered an all time high sales as well as profit. This reflects improved performance of the company particularly on account of increase in productivity and optimization of cost. Considering increase in demand of the product, pending orders on hand and with stringent regulatory norms, company will be required to make significant capital expense during the coming year. Company has also made significant gain in the new products launched during last 2 years and look forward to continue the momentum.

The company continues to get valued support from government by getting opportunity to participate in their programs. This trend is likely to be continued in year 2010-11 with orders currently on hand worth Rs. 24 Crores.

### **Research & Development**

Company is committed to offer affordable and innovative diagnostic products by acquiring newer technologies and indigenous manufacturing using available infrastructure. It has also made significant contribution by import substitution of important intermediate raw materials. It has been successful in commercializing the products which has been jointly developed by Public Private Partnership with various institutions of repute in India and abroad. Company is working on various in-house R&D projects in the area of Immunology, Hybridoma, Biochemistry, Molecular biology and Instrumentation.

Keeping in tune with the philosophy of the company, the expenditure in R&D has been stepped up considerably.

### **Internal Control system and their adequacy**

Company is constantly improving its internal control systems. SAP implementation and effective utilization of the same has helped the management in monitoring the system in real time and taking accurate and timely decisions. Internal control system is further supported by internal audit carried out by an independent firm of Chartered Accountants and periodic review by management and the Audit Committee.

### **Human resources and industrial relations**

The company has 541 employees comprising of trained technical, managerial and research personnel. The focus of the company is to enrich its employees by promoting learning and enhancing their knowledge by product training and arranging relevant training programs.

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

The particulars about the employees drawing remuneration in excess of limits specified in section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are as per Annexure 'A'.

## **SUBSIDIARIES AND JOINT VENTURES**

### **Span Biotronics Private Limited (SBPL)**

Span Biotronics Pvt Ltd (SBPL) is a 95.34% subsidiary of Span Diagnostics Ltd (SDL) working on analysis, design, development, prototyping, testing and validation of lab automation need of SDL and is also engaged in new product development independently. A multidisciplinary team of engineers and scientists are jointly making efforts to launch indigenous technologies, which will be used as modules and commercialized in many products. Product developed by SBPL will be commercialised during the current year.

SBPL has closed its books of accounts as at 31<sup>st</sup> March 2010 with a Profit After Tax (PAT) of Rs. 6.71 Lacs.

### **Span Diagnostics S.A.R.L. (France) (SARL)**

During the year under review company has divested its investment in Span Diagnostics S.A.R.L. to consolidate its R&D in India and focusing on its core fundamentals, namely affordable diagnostic tools, in its in-house research projects.

### **Span Diagnostics F.Z.C., Sharjah (FZC)**

Company also has divested its investment and closed its operation in Sharjah venture, as it was not found economically viable as a logistic hub.

### **Span Nihon Kohden Diagnostics Private Limited (SNKD)**

A joint venture company between Nihon Kohden Corporation, Japan and Span Diagnostics Ltd., India, started its operation from December 2008 and started manufacturing high quality reagents for Hematology Analysers for distribution and sale in India under license agreement with Nihon Kohden Corporation, Japan.

## CORPORATE GOVERNANCE

A report on Corporate Governance as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report.

The certificate from the Auditors of the company M/s Y. B. Desai & Associates confirming compliance with the conditions of Corporate Governance is attached to this Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March 2010 and of the profit of the Company for that year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the accounts on a going concern basis.

## FIXED DEPOSITS

At the close of the year, there were no fixed deposits due for payment that remained either unclaimed or unpaid. There were no claims as against the deposits outstanding as at the close of the year and the Company had complied with all the requirements of the Companies (Acceptance of Deposits) Rules, 1975.

## CONSERVATION OF ENERGY

The particulars are as per Annexure 'B'

## TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNING & OUTGO

The particulars are as per Annexure 'C'

## DIRECTORS

Dr. Sushil K Shah, Mr. Shyamal Ghosh and Mr. S. Sundaresan, Directors of the company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

## CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis and the Corporate Governance Report, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied in the statement depending on the circumstances.

## AUDITORS AND AUDITORS' REPORT

The present statutory auditors M/s Y B Desai & Associates, Chartered Accountants have not offered themselves for reappointment on their retirement at the forthcoming Annual General Meeting. The Board records its appreciation for the assistance and guidance provided by them during their long tenure with the company. The Board recommends the appointment of Haribhakti & Co., Chartered Accountants as auditors of the company from the conclusion of this Annual General Meeting to the conclusion of the next Annual General meeting of the company on such remuneration as shall be fixed by the Board of Directors. The Company has received their Certificate pursuant to section 224(1-B) of the Companies Act, 1956.

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

## ACKNOWLEDGEMENT

Your Directors are happy to place on record their appreciation of the whole-hearted co-operation and hard work of all members of SPAN family.

The Directors would like to place on record a deep sense of gratitude to the Kotak Mahindra Bank Limited and Government Authorities for their co-operation and assistance rendered to the Company.

**For and on behalf of the Board**

Place : Surat  
Dated : 5th June 2010

**Smt. Lata P. Desai**  
Chairperson

**V. P. Desai**  
Managing Director

**ANNEXURE 'A'**
**Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956**

Name	Designation & Nature of Duties	Remuneration Received Rs.	Qualification & Experience (in years)	Date of Employment	Age (Years)	Previous Employment Held
<b>Employed throughout the period ended 31-03-2010 and in receipt of remuneration aggregating to Rs. 24,00,000/-</b>						
1. Dr. Pradip K Desai	Whole-time Director	72,20,600	MD (Path)	Founder director	70	None
2. Mr. Veeral P Desai	Managing Director	44,77,550	B. Pharm	11/8/1991	42	None

**Notes :**

- Both the above appointments are contractual.
- Remuneration received includes salary, commission, allowance, medical expenses, leave travel assistance, taxable value of perquisites etc. and Company's contribution to provident fund, Group gratuity and superannuation funds.
- The employee mentioned in Sr. no 2 is son of the employee mentioned in Sr. No. 1.

**ANNEXURE 'B'**
**PARTICULARS PERTAINING TO CONSERVATION OF ENERGY**

	Particulars	2009-10	2008-09
<b>A.</b>	<b>Power and fuel consumption</b>		
1.	Electricity		
a)	Purchased		
	Unit (in '000 Kwh)	1,916	1,915
	Total amount (Rs. in lacs)	110.46	106.75
	Rate/unit (Rs.)	5.76	5.58
b)	Own generation		
(i)	Through diesel generator		
	Unit (in '000 Kwh)	60	70
	Unit per liter of diesel Oil	3.29	1.87
	Cost/Unit (in Rs.)	11.21	18.50
(ii)	Through steam turbine/generator	N.A.	N.A.
	Unit (in '000 Kwh)		
	Unit per liter of fuel		
	Cost/Unit (in Rs.)		
2.	Coal (Specify quality and where used)	N.A.	N.A.
	Quantity (tones)		
	Total Cost		
	Average Rate		
3.	Light Diesel Oil		
	Quantity (K. Liter)	22,628	44,849
	Total Amount (Rs. In lacs)	8.15	17.07
	Average Rate (Rs./K. Liter)	36.02	38.06
4.	Other/Internal generation		
	Total Cost	Nil	Nil
	Rate/Unit	Nil	Nil



B.	Consumption per unit of production	Standards if any
	Products, Units, Electricity Furnace Oil, Coal Other	Considering the number of products being manufactured by the company and production activity not being energy sensitive, the Company is not in a position to give the information required as per this format for the current year as well as the previous year. Regular steps are being taken to improve the energy conservation.

### ANNEXURE 'C'

#### Form of disclosure of particulars with respect to Absorption of Technology, Research & Development (R & D)

##### 1. Specific areas in which R&D was carried out by the company:

The company has In-house R&D unit which is recognized by the Department of Scientific and Industrial Research. The said R&D Unit provides significant support to the business through continuous innovation of products, processes, packaging modes and services. Full fledged R & D work is carried out for development of diagnostics products, reagent chemicals, packaging and analytical process. Currently, the company is focusing on

- ? Modification of existing Flow Through test for infectious diseases
- ? Manufacture of recombinant antigens for Treponema, Leishmania and filaria
- ? Manufacture of Lateral flow test for Tuberculosis antigen/ antibody

##### 2. Benefits derived as a result of the above R & D:

- ? Productivity and quality improvement
- ? Product design and operating efficiencies
- ? Cost reduction
- ? Import substitution of critical raw materials and Diagnostic reagents

##### 3. Future plans:

The R & D activity will continue to emphasize the main areas set out above and especially on the development of new technologies, new products and processes.

#### Expenditure on R & D

Sr. No.	Description	Year ended 31 March 10 (Rs.)	Year ended 31 March 09 (Rs.)
a.	Capital	2,628,142	2,161,920
b.	Recurring	20,236,200	8,192,410
c.	Total	22,864,342	10,354,330
d.	Total R & D expenditure as percentage of total Turnover	2.79%	1.52%

#### 4. Technology absorption, adaptation and innovation

##### Efforts in brief, made towards technology absorption, adaptation and innovation:

The processes for new formulations were adopted by modifying them to suit local equipments and raw materials specification. Innovations were made to improve the yield.

**Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.**

Cost reduction was achieved due to replacement of imported raw materials with indigenous raw materials developed by in house R&D. The status of absorption of technology imported for last five years are given below:

Sr. No.	Technology imported	Year of import	Has the technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.
a.	Manufacture of HCV Recombinant Antigen	2003	Yes	Not applicable
b.	Manufacture of diagnostics kit for detection of Cholera	2004	Yes	Not applicable
c.	Manufacture of diagnostics kit for detection of 'Yersinia pestis'	2006	Yes	Not applicable
d.	Manufacture of anti-sera, monoclonal antibodies and related products for the purpose of blood grouping etc.	2006	Yes	Not applicable
e.	Manufacture of fourth generation ELISA for HIV	2006	Yes	Not applicable
f.	Manufacture of third generation ELISA for Syphilis	2007	Under Process	Not applicable
g.	Manufacture of Flow through test for simultaneous detection of treponemal and non-treponemal antibodies	2009	Under Process	Not applicable

**5. FOREIGN EXCHANGE EARNING AND OUTGO**

1. Total Foreign Exchange Earned	Rs. in Lacs 546.20
2. Total Foreign Exchange Outgo	(1293.34) 1979.93 (1973.79)

**For and on behalf of the Board**

Date : 5th June, 2010  
Place : Surat

**Smt. Lata P. Desai**  
Chairperson

**V. P. Desai**  
Managing Director

## **AUDITORS' REPORT ON CORPORATE GOVERNANCE**

### **TO THE MEMBERS OF SPAN DIAGNOSTICS LTD.**

We have examined the compliance of conditions of Corporate Governance by Span Diagnostics Ltd., for the year ended 31<sup>st</sup> March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the company complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For Y. B. Desai & Associates,  
Chartered Accountants  
Firm ICAI Registration No.102368W**

**Surat, June 05, 2010**

**Y. B. Desai  
Partner  
Membership No. 8767**

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Business objectives of Span Diagnostics Ltd. (Span), its management and its employees is to manufacture and market the company's products in such a way as to create value that can be sustained over the long terms for consumers, shareholders, employees, business partners and the national economy. Span is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, Span endeavors to ensure that highest standard of ethical conduct are met throughout the organization. Different environment need specific solution to meet demand of legal compliances and regulations. However, there is a single thread which weaves through the tapestry of governance: that the affairs of a company be controlled and regulated in a manner which is transparent, ethical and accountable.

### BOARD OF DIRECTORS

**Composition, attendance at the Board Meetings during 2009-10 and the last Annual General Meeting, outside directorship and membership / chairmanship of Board Committees of other companies for the year ended / as at 31st March 2010**

Director	No. of Board Meetings attended	Attendance at last AGM	No. of outside Directorship held	No. of membership/ chairmanship in other Board Committees	Executive, Non-Executive / Independent
Dr. Ramnik H. Parekh	5	Yes	3	Nil	Independent Non Executive
Mrs. Lataben P. Desai	5	Yes	Nil	Nil	Promoter Non-Executive
Dr. Pradip K. Kesai	7	Yes	4	Nil	Promoter & Executive
Mr. Veeral P. Desai	7	Yes	3	Nil	Promoter & Executive
Dr. (Ms.) Madhukanta T Patel	3	Yes	1	Nil	Executive
Mr. Sanjay N. Mehta	6	Yes	5	Nil	Non-Executive
Dr. Pranav S. Desai	3	Yes	1	Nil	Promoter & Non-Executive
Mr. Sarvajna G. Kazi	1	Yes	Nil	Nil	Promoter & Non-Executive
Dr. Sushil K. Shah	3	Yes	12	Nil	Independent Non-Executive
Mr. Shyamal Ghosh	5	Yes	6	3	Independent Non-Executive
Mr. S. Sundaresan	4	No	Nil	Nil	Independent Non-Executive
Mr. Kamlesh M Patel	3	Yes	1	Nil	Independent Non-Executive
Mr. Gopalaswami	1	N.A.	Nil	Nil	Independent Non-Executive

### Details of Board meeting

Date	Board Strength	No. of Directors present
28th Apr 2009	11	5
30th May 2009	12	9
09th Jun 2009	12	6
31st Jul 2009	12	11
26th Oct 2009	12	7
04th Nov 2009	12	6
23rd Jan 2010	12	8

## AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors namely Mr. Shyamal Ghosh, Chairman, Dr. Ramnik H. Parekh and Mr. S. Sundaresan. Mr. Sanjay N. Mehta, chartered accountant is a non-executive director. Mr. Rahul Khakhra, Manager Finance 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 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

There were four meetings held during the year.

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

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Shyamal Ghosh, Chairman	4	4
Dr. Ramnik Parekh	4	4
Mr. Sanjay Mehta	4	3
Mr. S. Sundaresan	4	3

The brief description of the terms of reference of the Audit Committee is as under:

#### Responsibilities

1. Provide an open avenue of communication between statutory auditor, internal auditor and the Board of Directors of the company.
2. Confirm and assure independence of the statutory auditor and objectivity of the internal auditor.
3. Appoint, compensate and oversee the work of the statutory auditor (including resolving disagreements between management and the statutory auditor regarding financial reporting) for preparing / issuing an audit report.
4. Review and pre-approve all related party transactions.
5. Consider and review the adequacy of internal controls, related findings and recommendations of the statutory auditor and internal auditor together with management response.
6. Pre-approve all non-auditing services to be provided by the statutory auditors
7. Review with management and the statutory auditor, the annual audited financial statements and quarterly audited / un-audited financial statements, including the Management's Discussion and Analysis of Financial Condition and Results of Operation prior to presenting the company Annual Report to shareholders and quarterly results with the stock exchange.
8. Review the un-audited quarterly operating results.
9. Review, approve and monitor the code of ethics, risk management policies, investment policies.

#### Powers of Audit Committee

1. Institute special investigations with full access to all books, records, facilities and personnel of the company.
2. Obtain advice and assistance from outside legal, accounting or other advisors
3. Review its charter, structure, processes and membership requirement every three years.

## REMUNERATION COMMITTEE

The Remuneration Committee comprises of four Non- executive Directors out of which two Directors are Independent. The composition along with details of attendance are as follows:-

There were three meetings held during the year.

Attendance of each member at the Remuneration Committee Meetings held during the year

Name of the Director	No. of meetings held	No. of meetings attended	Designation
Dr. Ramnik H. Parekh, Chairman	3	2	Independent Non Executive Director
Mr. S. Sundaresan	3	1	Independent Non Executive Director
Dr. Pranav Desai	3	2	Promoter & Non Executive Director
Mr. Sanjay Mehta	3	2	Non Executive Director
Mr. Veeral Desai	3	3	Managing Director
Dr. Madhukanta Patel	3	1	Executive Director

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

Details of remuneration paid to all directors 2009-10

Name of the Director	Sitting Fee	Salary, Allowance & Perquisites	Contribution to Provident Fund and other funds	Commission	Total
Dr. P. K. Desai		57,24,600	14,96,000	Nil	72,20,600
Mr. V. P. Desai		35,87,550	8,90,000	Nil	44,77,550
Dr. M. T. Patel		15,47,000	3,36,600	Nil	18,83,600
Mrs. L. P. Desai	25,000	Nil	Nil	Nil	25,000
Mr. S. N. Mehta	45,000	Nil	Nil	Nil	45,000
Dr. P. S. Desai	15,000	Nil	Nil	Nil	15,000
Mr. S. G. Kazi	5,000	Nil	Nil	Nil	5,000
Dr. S. K. Shah	15,000	Nil	Nil	Nil	15,000
Dr. R. H. Parekh	45,000	Nil	Nil	Nil	45,000
Mr. Shyamal Ghosh	45,000	Nil	Nil	Nil	45,000
Mr. S. Sundaresan	35,000	Nil	Nil	Nil	35,000
Mr. Kamlesh Patel	15,000	Nil	Nil	Nil	15,000
Mr. N. Gopaldaswami	Nil	Nil	Nil	Nil	Nil

Mr. Sanjay N. Mehta, a non-executive director is a partner of M/s. Akkad Mehta & Co. Chartered Accountants which has professional relationship with the company. The company paid Rs.2,25,000 (plus applicable service-tax) to them during the year.

Mr. Shyamal Ghosh, an Independent Non-executive Director was paid Rs.2,00,000 (plus applicable service-tax) towards professional fees.

### SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE

Investors Grievance Committee comprises of three non-executive directors namely Mrs. Lataben P. Desai, Dr. Pranav S. Desai and Mr. Sanjay N. Mehta; and Dr. Pradip K. Desai, whole-time director.

Mr. Rahul Khakhra, Manager Finance is the compliance officer.

There were 4 complaints received from shareholders / investors during the year 2009-10 and were solved to the satisfaction of the complainants and no investor complaint was pending at the beginning or at the end of the year. All valid requests for share transfers received were acted upon by the company and no such transfer is pending.

## GENERAL BODY MEETING

Location and time of last three Annual General Meeting were as under:

Year	Venue	Date	Time	Special Resolution passed
2008-09	Plot No. B/173, New Industrial Estate Road No. 6G, Udhna, Surat 394 210.	31st July 2009	11.00 a.m.	Appointment of Mr. S. G. Kazi as a Director liable to retire by rotation.  Re-appointment of Dr. (Ms.) Madhukanta Patel as a Whole-time Director for a further period of 3 years.
2007-08	Plot No. B/173, New Industrial Estate Road No. 6G, Udhna, Surat 394 210.	23rd Aug 2008	11.00 a.m.	Appointment of Mr. Kamlesh Patel as a Director liable to retire by rotation.
2006-07	Plot No. B/173, New Industrial Estate Road No. 6G, Udhna, Surat 394 210.	25th Aug 2007	11.00 a.m.	Nil

There was no special resolution last year passed through postal ballot. There is no resolution proposed to be passed through postal ballot.

## DISCLOSURES

None of the transactions with any of the related party were in conflict with the interest of the company at large. The members may refer to Note no. 2 - J to the Schedule 19 to the Accounts for details of transactions with the related parties.

During the year, the company allotted 1,65,250 equity shares on conversion of warrants issued on a preferential basis to the promoters at a price determined under SEBI (Disclosure & Investors Protection) Guidelines, 2000.

There has not been any non-compliance, penalties or strictures imposed on the company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

The company has adopted a code of conduct for its director and employees. This code of conduct has been communicated to each of them. A declaration signed by the Managing Director of the company is given below:

I hereby confirm that the company has obtained from all the members of the Board and management personnel, affirmation that they have complied with the Code of Conduct in respect of financial year 2009-10

Veeral Desai  
Managing Director

## Whistle Blower Mechanism

The company has not felt the need for whistle blower mechanism in view of its size, and extent of delegation of power.

The company has complied with the mandatory requirements of clause 49 of the listing agreement providing for corporate governance. In view of elaborate disclosure requirement under listing agreement, publication of un-audited financial statements along with major developments every quarter and size of the company, the company has not gone for implementation of non-mandatory requirements. The company will consider their adoption at an appropriate stage.

## MEANS OF COMMUNICATION

### Half-Yearly report to shareholders, Quarterly Results, Newspaper in which published, Website etc.

The quarterly and annual results are generally published in edition of the Economic Times, Ahmedabad, Satyam Times, Surat, and Sandesh, Surat. The half-yearly reports are not sent to shareholders. Official news releases and presentations made to analyst are sent to the stock exchange at Mumbai, where shares of the company are listed.

## GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

On 17th July, 2010 at 11 a.m. at Plot NO. B/173, New Industrial Estate, Road No. 6G, Udhna, Surat 394 210

### Financial Year

1st April 2009 to 31st March 2010

Publication of financial results for the quarter ending:

- 30th June 2009 : Last week of July 2009
- 30th September 2009 : Last week of October 2009
- 31st December 2009 : Last week of January 2010
- 31st March 2010 : Second week of May 2010
- Annual General Meeting : Third week of July 2010

### Date of Book Closure

22nd June 2010.

### Dividend Payment Date (on approval by shareholders)

On or after 22nd July 2010

### Listing of Stock Exchange and Stock Code

Shares of the company are listed on the Bombay Stock Exchange Limited, Mumbai (Stock code #524727)

Market Price Data : High / Low in each month of year 2009-10 on the Bombay Stock Exchange Limited, Mumbai.

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April	42.30	34.15	October	61.80	50.25
May	47.90	36.25	November	69.30	53.10
June	60.20	43.80	December	86.40	65.90
July	57.00	44.05	January	90.00	64.15
August	59.00	43.00	February	85.00	62.10
September	64.50	50.75	March	85.00	64.00

### Performance in comparison to BSE Sensex

Monts and year	Closing Sensex	% Change	Closing price of the Company's Share	% Change
April 2009	11403	17.46	37.90	7.98
May 2009	14625	28.26	45.00	18.73
June 2009	14494	-0.9	47.50	5.56
July 2009	15670	8.11	48.15	1.37
August 2009	15667	-0.02	59.00	22.53
September 2009	17127	9.32	59.90	1.53
October 2009	15896	-7.19	55.75	-6.93
November 2009	16926	6.48	69.30	24.3
December 2009	17456	3.18	75.50	8.95
January 2010	16358	-6.34	75.00	-0.66
February 2010	16430	0.44	71.90	-4.13
March 2010	17528	6.68	70.50	-1.95



### Registrar & Transfer Agents & share transfer system

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078

The requests for share transfer involving less than 3000 shares are processed and approved by the Registrar & Transfer Agents under the delegated authority. Other valid requests are placed before the Investors Grievances Committee. The minutes of the Investors Grievances Committee is placed before the Board meeting for information.

The share transfer formalities are audited by a practicing company secretary on a half-yearly basis and a copy of the audit report is filed with the stock exchange under clause 47(c) of the listing agreement.

### Categories of Shareholding as on 31st March, 2010

Category	Numbers of shares in physical form	Number of shares in dematerialized form	Number of total shares	Percentage of aggregate holding to total share capital
Promoters	87760	1354004	1441764	41.52%
Foreign institutional investors	--	--	--	--
Public financial institutions	--	--	--	--
Mutual funds	--	--	--	--
Nationalized banks and other banks	--	--	--	--
NRI's and OCB's	101419	608612	710031	20.45%
Other (includes holding of Corporate Bodies)	226122	1094833	1320955	38.03%
<b>Total</b>	<b>415301</b>	<b>3057449</b>	<b>3472750</b>	<b>100.00%</b>
<b>Percentage</b>	<b>11.96%</b>	<b>88.04%</b>	<b>100.00%</b>	

### Distribution of shareholding as on 31st March 2010

No. of Shares	Number of Shareholders	Percentage of Total	Number of shares	Percentage of total shares
1 to 500	2,563	89.05	327,304	9.42
501 to 1000	133	4.62	112,334	3.23
1001 to 2000	57	1.98	88,601	2.55
2001 to 3000	24	0.83	64,673	1.86
3001 to 4000	12	0.41	43,585	1.26
4001 to 5000	24	0.83	118,245	3.40
5001 to 10000	20	0.69	159,541	4.59
10001 an above	45	1.56	2,558,467	73.67
<b>Total</b>	<b>2,878</b>	<b>100.00</b>	<b>3,472,750</b>	<b>100.00</b>

### Outstanding ADRs / GDRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

There were 165250 convertible share warrants outstanding as on 31<sup>st</sup> March, 2010. The same were converted into 165250 Equity shares and allotted to the promoters on 10/04/2010 which increased the paid up equity share capital by Rs. 16,52,500/- & share premium account by Rs. 49,52,543/-

### Plant Location:

The company's plants are located at Plot No. 336, 338, 340, Road No. 3 GIDC, Sachin, Dist: Surat and Plot No. B/173, New Industrial Estate, Road No. 6G, Udhna, Surat 394 210.

### Address for correspondence:

B/173, New Industrial Estate, Road No. 6G, Udhna, Surat 394210

Email: [finance@span.co.in](mailto:finance@span.co.in)

### For and on behalf of the Board

Place: Surat

Dated: 5th June 2010

**Smt. Lata P. Desai**  
Chairperson

**V. P. Desai**  
Managing Director

**Compliance Certificate under section 383A of the Companies Act,1956 from  
Practicing Company Secretary**

To,  
**The Members**  
**Span Diagnostics Limited**  
Surat 394210

Article I. I have examined the registers, records, books, and papers of **Span Diagnostics Limited** as required to be maintained under The Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of association of the company for the financial year ended on 31<sup>st</sup> March 2010. In my opinion and to the best of my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid Financial Year :

1. the company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. the company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities under the Act and the rules made there under.
3. the company being a public limited company has minimum prescribed paid up share capital.
4. the Board of Directors duly met 7 times on 28.04.2009, 30.05.2009, 09.06.2009, 31.07.2009, 26.10.2009, 04.11.2009, 23.01.2010 in respect of which meeting proper notices were given and the proceedings were properly recorded and signed including the circular resolutions in the Minutes Books maintained for the purpose.
5. the company closed its register of members from 21.07.2009 to 31.07.2009 and complied with provisions of section 154 of the Act.
6. the Annual General Meeting for the financial year ended on 31<sup>st</sup> March 2009 was held on 31<sup>st</sup> July 2009 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in minutes books maintained for the purpose.
7. One Extra Ordinary General Meeting was held on 30.05.2009 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in minutes books maintained for the purpose.
8. the company has not advanced any loans to its directors or persons or firms referred to under section 295 of the Act.
9. the company has duly complied with provisions of section 297 of The Act in respect of contracts specified in that section.
10. the company has made necessary entries in the register maintained under Section 301 of the Act .
11. the company has obtained necessary approvals from Board of Directors, members, and obtained/applied for previous approval of Central Government pursuant to section 314 of The Act wherever applicable.
12. the Board of Directors or duly constituted committee of directors has approved the issue of duplicate share certificates.
13. the company has :
  1. delivered all the certificates on allotment of securities and on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act:
  2. has not declared any dividend during the year.
  3. was not required to pay /post warrants/cheques for dividend within a period of 30 days from date of declaration of dividend since or to transfer all unpaid dividend has been transferred to unpaid dividend account of the company since company has not declared any dividend.
  4. transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued there on which have remained unclaimed or unpaid for a period of seven years to Investors Education Protection Fund.
  5. duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of directors, additional directors, alternate directors and to directors to fill the casual vacancies have been duly made.

15. the company has made any appointment of Managing Directors /Wholetime Directors during the year and has complied with provisions of section 269 read with schedule XIII of the Act.
16. the company has not appointed any sole selling agents during the financial year.
17. the company has applied for/obtained all necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. the directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and rules made there under.
19. The company issued 165250 shares / debentures /other securities during the financial year and complied with the provisions of the Act.
20. the company has not bought back any shares during the financial year.
21. the company has not redeemed any preference shares / debentures during the year.
22. the company wherever necessary has kept in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. the company has complied with the provisions of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 the applicable directions issued by the Reserve Bank of India/ any other authority in respect of deposits accepted including unsecured loans taken/ raised by the company during the year and the company has filed the copy of Advertisement/Statement in lieu of advertisement /necessary particulars as required with registrar of Companies. The company has filed return of deposit with registrar of Companies/ reserve Bank of India other authorities.
24. The amount borrowed by the company from directors, members, public financial institutions, banks and others during financial year ending 31.03.2010 is/are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of The Act have been passed in duly convened annual/extraordinary general meeting.
25. the company has not made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. the company has not altered the provisions of the Memorandum with respect to situation of the registered office from one state to another during the year under scrutiny.
27. the company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. the company has not altered provisions of the Memorandum with respect to the name of the company during the year under scrutiny.
29. the company has not altered provisions of the Memorandum with respect to the share capital of the company during the year under scrutiny.
30. the company has not altered its Articles of Association during the year under scrutiny.
31. there was no prosecution initiated against or show cause notice received by the company during the financial year for offences under the Act.
32. the company has not received money as security deposit from its employees during the financial year.
34. the provisions of section 418 are not applicable as company has not constituted separate providend fund.

**For K.Dalal & Co.**

Company Secretaries

Kunjai Dalal

C.P.No. 3863

Date : 05/06/2010

Place : Surat

### Annexure A

Registers maintained by the Company

1. Register of Charges U/S 143
2. Register of Members U/S 150
3. Register of transfers
4. Copies of Annual return prepared u/s 163(1)
5. Minutes Book of Meeting of Board and Members
6. Books of Accounts U/S 209 (1)
7. Register of Contracts in which Directors are interested U/S 301 (1)
8. Register of Director, Managing Director, Manager and Secretary U/S 303
9. Register of Directors shareholdings U/S 307

### Annexure B

Forms and Returns as filed by the company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2010.

Sr. No	Forms/ Returns	Filed U/s	For	Date of Filing	Receipt No.	Whether filed within prescribed time	whether add. fees paid
01	20B	159	Annual Return	27.09.09	P35007046	Yes	N.A.
02	23AC	220	Balance Sheet	07.09.09	P34339705	No	Yes
03	17	135	Satisfaction of Charge	30.03.10	A81810178	Yes	N.A.
04	2	175	Allotment of shares	05.11.09	A72136468	Yes	N.A.
05	1	IEPF	Tr. To Investors Fund	01.10.09	A70137906	Yes	N.A.
06	8	125	Registration of Charge	03.06.09	A62909684	Yes	N.A.
07	23	192	Registration of Reso.	07.09.09	A62868583	No	Yes
08	32	303(2)	Change in directors	27.05.09	A62514146	Yes	N.A.
09	32	303(2)	Change in Directors	02.04.09	A59183665	No	Yes

**For K.Dalal & Co.**

Company Secretaries

Kunjil Dalal

C.P.No. 3863

Date : 05/06/2010

Place : Surat

## AUDITORS' REPORT

**To,  
THE MEMBERS OF SPAN DIAGNOSTICS LIMITED**

1. We have audited the attached Balance Sheet of **SPAN DIAGNOSTICS LIMITED** as at **31<sup>st</sup> March 2010**, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that :
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books;
  - (c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - (d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in sub section (3C) of section 211 of the Companies Act, 1956;
  - (e) On the basis of the written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on March 31, 2010, from being appointed as director of the Company under clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
  - (f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with notes thereon as appearing in schedule of Accounting Policies and Notes on Accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India –
    - (1) in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2010,
    - (2) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
    - (3) in the case of Cash flow statement, of the cash flows for the year ended on that date.

**For Y. B. Desai & Associates,  
Chartered Accountants  
Firm ICAI Registration No.102368W**

**Y. B. Desai  
Partner  
Membership No. 8767**

Surat, June 5, 2010

**Annexure to the Auditors' Report**  
**Referred to in paragraph 3 of our Report of even date:**

- i)
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) According to the information and explanations given to us, the Company has formulated a regular program of verification by which all the assets of the Company shall be verified in a phased manner, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. To the best of our knowledge, no material discrepancies were noticed on verification conducted during the year as compared with the book records.
  - c) There was no disposal of a substantial part of fixed assets.
- ii)
- a) As explained to us, inventory has been physically verified during the year by the management. In our opinion frequency of verification is reasonable.
  - b) In our opinion and according to information and explanation given to us and on the basis of our examinations, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to size of the Company and the nature of its business.
  - c) In our opinion and according to information and explanation given to us and on the basis of our examination of records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.
- iii)
- a) According to the information and explanations given to us, the Company has, during the year, not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provision of clause (iii)b to (iii)d are not applicable to the Company.
  - e) The Company has taken unsecured loan from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year was Rs. 32.00 lacs and year end balance was Rs. 2.00 lacs. The Company has also taken unsecured loan from four directors covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year was Rs.51.50 lacs and year end balance was Rs. 17.35 lacs.
  - f) In our opinion and according to the information and explanations given to us, the rate of interest and terms and condition on which the above loans have been taken are prima facie not prejudicial to the interest of Company.
  - g) According to information and explanation given to us, in our opinion, in respect of the above loans, where stipulations are made, the Company is regular in repayment of the principal amount and interest as stipulated.
- iv)
- In our opinion and according to information and explanation given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to the purchase of inventories, fixed assets and with regard to the sale of goods and rendering of services. Further, on the basis of our examination and according to the information and explanations given to us, no major weakness in the aforesaid internal control systems, has been noticed.
- v)
- a) In our opinion and according to information and explanation given to us, all the transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956 have been so entered.
  - b) As per the examination of records and according to information and explanations given to us, the transactions made in pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of rupees five lacs have been made at prices which were reasonable having regard to prevailing market prices at the relevant times.
- vi)
- According to information and explanation given to us, we are of the opinion that, the Company has complied with the provision of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of deposits) Rules, 1975 with regard to the deposits accepted from the public. As per the information given to us, no order was passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vii)
- According to information and explanation given to us, Company has internal audit system commensurate with the size of Company and nature of its business.
- viii)
- We have been informed by the management that maintenance of cost record has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 in respect of products manufactured by the Company.

- ix)
- As per the records of the Company, the Company is generally regular in depositing with appropriate authority undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authority.
  - According to information and explanation given to us, there was no undisputed amount payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess were outstanding, as at 31.03.2010 for the period of more than six months from the date they became payable.
  - According to the information and explanations given to us, details of dues of excise duty and sales tax which have not been deposited on account of dispute are given below :

<u>Particulars</u>	<u>FY to which the matter pertains</u>	<u>Forum where dispute pending</u>	<u>Amount (Rs in Lacs)</u>
Excise Duty	1993-94	Excise Authorities	1.26
Sales Tax	1990-91	Commissioner Appeals	1.12
Sales Tax	1998-99	Tribunal	4.89

- The Company does not have any accumulated loss at the end of the financial year March 31, 2010 and Company has not incurred cash losses during the financial year ended March 31, 2010 and in the immediately preceding financial year ended March 31, 2009.
- Based on our audit procedure and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayments of dues to financial institutions and banks.
- According to information and explanation given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- According to information and explanation given to us, we are of the opinion that the Company is neither a chit fund nor a nidhi/mutual benefit society. Therefore, in our opinion, the provisions of sub clause (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- As per the records of the Company and the information and explanation given to us by the management the Company is not dealing in shares, securities, debentures and other investment. Accordingly, the provisions of sub-clause (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
- According to information and explanation given to us the Company has not given any guarantee during the year for loans taken by others from banks or financial institutions.
- To the best of our knowledge and belief and according to information and explanation given to us, Term Loans obtained by the company were prima facie applied by the company during the year for the purpose for which the loans were obtained.
- According to information and explanation given to us and on overall examination of the Balance Sheet of the Company, we report that short term funds have not been used to finance long term investments.
- The Company has made preferential allotment of equity shares to the promoters. However, as per the information and explanations given to us, the price at which the shares were allotted are not prima facie prejudicial to the interest of the Company.
  - As per the records of the Company the Company has not issued any debentures during the year.
- As informed to us, the Company has not raised money by way of public issues during the year.
- Based upon the audit procedure performed and information and explanations given by the management, we report that no frauds on or by the Company has been noticed or reported during the course of our audit.

**For Y. B. Desai & Associates,  
Chartered Accountants  
Firm ICAI Registration No.102368W**

**Y. B. Desai  
PARTNER  
Membership No. 8767**

**Surat, June 5, 2010**

**BALANCE SHEET AS AT 31st MARCH 2010**

	Schedule	31-3-2010 Rs.	31-3-2009 Rs.
<b>SOURCE OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	34,727,500	33,075,000
Reserves & Surplus	2	192,757,452	144,067,265
Share Application Money		1,651,261	0
		<u>229,136,213</u>	<u>177,142,265</u>
<b>Loan funds</b>			
Secured Loans	3	181,772,026	254,418,458
Unsecured Loans	4	45,387,459	47,864,887
		<u>227,159,485</u>	<u>302,283,345</u>
<b>Deferred Tax Liability (Net)</b>		<u>14,322,000</u>	<u>15,062,000</u>
TOTAL		<u>470,617,698</u>	<u>494,487,610</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	326,756,684	306,109,281
Less : Depreciation / Adjustments		<u>133,198,554</u>	<u>116,366,072</u>
Net Block		<u>193,558,130</u>	<u>189,743,209</u>
Capital Work-in-Progress		<u>36,375,313</u>	<u>11,704,272</u>
		<u>229,933,443</u>	<u>201,447,481</u>
<b>Investments</b>			
	6	6,902,000	9,377,461
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	188,382,248	168,875,790
Sundry Debtors	8	180,315,017	200,732,048
Cash and Bank Balance	9	26,674,550	25,127,144
Loans and Advances	10	<u>42,397,641</u>	<u>37,308,306</u>
		<u>437,769,456</u>	<u>432,043,288</u>
Less: Current Liabilities & Provisions	11	<u>203,987,201</u>	<u>148,380,620</u>
Net Current Assets		<u>233,782,255</u>	<u>283,662,668</u>
TOTAL		<u>470,617,698</u>	<u>494,487,610</u>
Notes on Accounts	18		

The annexed schedules and notes referred to above form an integral part of the Accounts

As per our Report of even date attached hereto :

**For Y.B. DESAI & ASSOCIATES**

Chartered Accountants

**Firm ICAI Registration No.102368W**

**Y.B.DESAI**

Partner

M.No. 8767

Place : Surat

Date : 5th June, 2010

**Smt. Lata P. Desai**

*Chairperson*

**V. P. Desai**

*Managing Director*

Place : Surat

Date : 5th June, 2010



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

INCOME	Schedule	31-3-2010 Rs.	31-3-2009 Rs.
Sales	12	789,778,285	680,064,626
Less : Excise Duty Paid		<u>10,961,973</u>	<u>16,314,308</u>
		778,816,312	663,750,318
Other Income	13	28,949,450	15,549,270
Increase/(Decrease) in stock	14	<u>(7,607,618)</u>	<u>(2,899,875)</u>
		<u>800,158,144</u>	<u>676,399,713</u>
<b>EXPENDITURE</b>			
Materials consumed & purchase of goods	15	347,579,807	307,902,467
Manufacturing and other expenses	16	323,784,296	290,214,594
Interest & Finance Charges	17	31,128,346	36,834,170
Depreciation	-	<u>20,860,095</u>	<u>18,207,407</u>
		<u>723,352,544</u>	<u>653,158,638</u>
<b>PROFIT BEFORE TAX</b>		<b>76,805,600</b>	<b>23,241,075</b>
Provision for Tax - Current		25,000,000	4,350,000
- Deferred Tax		(740,000)	5,383,000
- Fringe Benefit Tax		0	1,290,000
<b>PROFIT AFTER TAX</b>		<u>52,545,600</u>	<u>12,218,075</u>
Balance brought forward		41,112,578	33,883,004
Tax adjustment of earlier year		1,424,657	(2,934,599)
Prior Period Adjustments		<u>(75,253)</u>	<u>1,446,098</u>
<b>Profit available for Appropriation</b>		<u>95,007,582</u>	<u>44,612,578</u>
<b>APPROPRIATIONS</b>			
Proposed Dividend		8,681,875	0
Dividend Distribution Tax		1,475,485	0
Transfer to General Reserve		5,500,000	3,500,000
Balance carried to Balance Sheet		<u>79,350,222</u>	<u>41,112,578</u>
		<u>95,007,582</u>	<u>44,612,578</u>
Earning per share - Basic (Rs.)		15.89	3.40
Earning per share - Diluted (Rs.)		15.89	3.40
Face Value per share Rs.10			
Refer Note E of Schedule 18.			
Notes on Accounts	18		

The annexed schedules and notes referred to above form an integral part of the Accounts

As per our Report of even date attached hereto :

**For Y.B. DESAI & ASSOCIATES**

Chartered Accountants

Firm ICAI Registration No.102368W

**Y.B.DESAI**

Partner

M.No. 8767

Place : Surat

Date : 5th June, 2010

**Smt. Lata P. Desai**

*Chairperson*

**V. P. Desai**

*Managing Director*

Place : Surat

Date : 5th June, 2010

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	31-03-2010 Rs.	31-03-2009 Rs.
<b>Schedule 1 : SHARE CAPITAL</b>		
<b>Authorised</b> 5,000,000 (Previous year 5,000,000) Equity Shares of Rs. 10/- each.	<u>50,000,000</u>	<u>50,000,000</u>
<b>Issued, Subscribed and paid-up</b> 3,472,450 (Previous year 3,307,500) Equity Shares of Rs.10/- each fully paid up (refer Notes on Accounts) Of the above 1,387,500 Equity shares of Rs.10/- each have been allotted as fully paid-up bonus shares by capitalising Rs.3,875,000 out of General reserve & Rs.10,000,000 out of Revaluation Reserve and 206,250 Equity shares issued pursuant to scheme of Amalgamation with Span Biological Pvt. Ltd. and Span Biotech Pvt.Ltd.	34,727,500	33,075,000
	<u>34,727,500</u>	<u>33,075,000</u>
<b>Schedule 2 : RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Amalgamation Surplus	4,205,775	2,887,500
Add: On forfeiture of Convertible share warrants	0	1,318,275
	<u>4,205,775</u>	<u>4,205,775</u>
<b>Share Premium:</b>		
Balance as per last Balance Sheet	36,299,712	29,905,212
Add : Premium of share allotment	4,952,543	6,394,500
	<u>41,252,255</u>	<u>36,299,712</u>
<b>General Reserve:</b>		
Balance as per last Balance Sheet	62,449,200	58,949,200
Add: Transfer from Profit & Loss Account	5,500,000	3,500,000
	<u>67,949,200</u>	<u>62,449,200</u>
<b>Surplus in Profit &amp; Loss Account</b>	<u>79,350,222</u>	<u>41,112,578</u>
	<u>192,757,452</u>	<u>144,067,265</u>

	31-3-2010 Rs.	31-3-2009 Rs.
<b>Schedule 3 : SECURED LOANS</b>		
<b>Term Loans</b>		
a) Kotak Mahindra Home Finance Loan (due within one year Rs. 613,012, Previous year Rs.531,966) (Secured by Equitable Mortgage of Office Premises at,Mumbai)	1,596,697	2,131,990
b) Kotak Mahindra Bank WC Term Loan (due within one year Rs.11,587,886, Previous year Rs.10,130,327)	14,321,193	24,486,604
c) Term loan Kotak Mahindra Bank Ltd. - Sachin Expansion (due within one year Rs.2,636,357 Previous year Rs.2,295,172 )	4,858,310	7,164,648
d) Term loan Kotak Mahindra Bank Ltd. - Udhna Expansion (due within one year Rs.2,079,011 Previous year Rs.1,812,618 )	2,872,422	4,691,665
e) Term loan Kotak Mahindra Bank Ltd. - SARL (due within one year Rs.4,325,120 Previous year Rs.3,760,668 )	6,831,800	10,616,132
f) Kotak Mahindra Bank Ltd. W.C Demand Loan-NEW (due within one year Nil, Previous year Rs.10,000,000)	0	10,000,000
g) Kotak Mahindra Bank Ltd. Term Loan-New D G Set (due within one year Rs.457,424, Previous year Rs.787,497) (Secured by hypothecation of Current and Moveable Assets including Plant & Machinery, and collaterally secured by the personal guarantees of promoter Directors, equitable mortgage of immovable properties at Plot No.173B at Udhna and Plot No.336 ,338,340 at Sachin., Surat. and office premises at Kolkata and Office premises at Mumbai)	457,424	1,244,921
h) Term loan - Biotech Consortium India Ltd. SBIRI (due within one year Rs.Nil, Previous year Rs.Nil) Interest Accrued but not due in SBIRI loan	8,250,000	5,150,000
	<u>135,807</u>	<u>55,027</u>
	39,323,653	65,540,987
<b>From Banks</b>		
a) Kotak Mahindra Bank Ltd. - Cash Credit/Export packing credit	140,930,869	179,713,492
b) Buyers Credit from Kotak Mahindra Bank Ltd. (due within one year Nil, Previous year Rs.7,690,023 ) (Secured by hypothecation of Current and Moveable Assets including Plant & Machinery, and collaterally secured by the personal guarantees of promoter Directors, equitable mortgage of immovable properties at Plot No.173B at Udhna and Plot No.336 ,338,340 at Sachin., Surat. and office premises at Kolkata and Office premises at Mumbai)	0	7,690,023
c) Car loan from HDFC Bank	0	68,603
d) Bus Loan from Kotak Mahindra Bank Ltd.	0	1,140,770
e) Car Loan from ICICI Bank	81,838	264,583
f) Car Loan from Axis Bank	766,611	0
g) Car Loan from Kotak Mahindra Bank Ltd. (Guaranteed by Directors and Company as a co-obligant) (due within one year Rs.728,716 Previous year Rs.1,392,118)	669,052	0
	<u>181,772,026</u>	<u>254,418,458</u>
<b>Schedule 4 : UNSECURED LOANS</b>		
Fixed Deposits (including Fixed Deposits from Directors Rs. 1,735,000. Previous year Rs.4,150,000) (due within one year Rs.9,424,000, Previous year Rs.13,735,000)		
	28,588,000	32,215,000
Interest accrued on Fixed Deposits	951,834	922,286
Deposits from Stockiest	15,847,625	14,727,601
	<u>45,387,459</u>	<u>47,864,887</u>

**Schedule 5: FIXED ASSETS**

Sr. No.	Name of Assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 1.4.2009 Rs	Additions/ Adjustment Rs	Deduction/ Adjustment Rs.	As at 31.03-2010 Rs	Balance as at 1.4.2009 Rs.	Depreciation/ Adjustment Rs.	Deductions/ Adjustment Rs.	Balance as at 31.3.2010 Rs.	As at 31.3.2010 Rs	As at 31.3.2009 Rs
<b>Tangible Fixed Assets</b>											
1	Land	12,337,200	0	0	12,337,200	0	0	0	0	12,337,200	12,337,200
2	Buildings & Roads	107,930,541	609,775	0	108,540,296	30,164,865	4,328,828	0	34,493,693	74,046,603	77,765,676
3	Plant & Machinery	66,435,001	11,924,761	2,498,232	75,861,530	34,416,074	4,962,409	2,317,505	37,060,978	38,800,552	32,018,927
4	Electrical Installations	10,705,006	49,253	0	10,754,259	6,649,575	569,244	0	7,218,819	3,535,440	4,055,431
5	Cold Rooms/Storages	6,934,671	1,070,145	0	8,004,816	3,127,358	588,782	0	3,716,140	4,288,676	3,807,313
6	Loose Tools, Moulds, Utilities and other Equipments	15,242,810	701,596	9,407	15,934,999	9,510,446	971,283	8,937	10,472,792	5,642,207	5,732,364
7	Laboratory Equipments	15,450,316	677,755	480,633	15,647,438	7,018,555	1,328,518	392,069	7,955,004	7,692,434	8,431,761
8	R & D Equipments	5,632,578	2,628,142	0	8,260,720	1,405,687	754,836	0	2,160,523	6,100,197	4,226,891
9	Furniture & Fixtures	14,775,542	39,131	0	14,814,673	7,554,685	1,310,817	0	8,865,502	5,949,171	7,220,857
10	Computers	8,804,097	496,716	71,500	9,229,313	7,421,878	684,396	71,496	8,034,778	1,194,535	1,382,219
11	Office Equipments	3,533,027	150,949	60,891	3,623,085	2,318,932	182,572	56,391	2,445,113	1,177,972	1,214,095
12	Vehicleis	6,821,341	2,082,224	1,475,035	7,428,530	3,405,061	1,178,964	1,181,215	3,402,810	4,025,720	3,416,280
<b>Intangible Assets</b>											
1	Goodwill	322,120	0	0	322,120	322,120	0	0	322,120	0	0
2	Technical Know how	26,463,028	4,084,674	0	30,547,702	1,951,615	2,949,735	0	4,901,350	25,646,352	24,511,413
3	SAP Software	4,722,003	728,000	0	5,450,003	1,099,221	1,049,711	0	2,148,932	3,301,071	3,622,782
		306,109,281	25,243,101	4,595,698	326,756,684	116,366,072	20,860,095	4,027,613	133,198,554	193,558,130	189,743,209
Previous Year		244,827,855	62,073,958	792,532	306,109,281	98,585,838	18,207,407	427,173	116,366,072	189,743,209	146,242,017

Capital Work-in-Progress including advances on capital account. Rs. 6.93 lacs (Previous Year Nil)

36,375,313

11,704,272

NOTE : 1) Gross Block includes Rs.12,506,178 on Revaluation of Fixed Assets as on 31-3-1994 comprising of Land Rs.87,78,812 and Buildings Rs.3,727,366.

2) Land Cost includes Rs.950/- being the cost of 19 shares fully paid up of Rs.50/- each of Udhna Udyognagar Sahakari Sangh Ltd., Udhna and cost of land allotted by G.I.D.C. on lease.

 31-03-2010  
Rs.

 31-03-2009  
Rs.

**Schedule 6 : INVESTMENTS**
**Non Trade & Long term**
**Unquoted**

Others

**Investment in Joint Ventures**

Span Diagnostics SARL (See Notes on Accounts)

0

1,718,640

(Previous Year 300 Shares of 100 Euro each fully paidup)

Span Diagnostics FZC (See Notes on Accounts)

0

756,821

(Previous Year 600 Share of 100 DHS each fully paid-up)

Span Nihon kohdan Diagnostics Pvt.Ltd.

5,400,000

5,400,000

(54,000 Equity Share (Previous Year 54,000 Equity Share) of Rs.100 each fully paid-up,)

**Investment in Subsidiary**

Span Biotronics Pvt.Ltd.

1,000,000

1,000,000

(10,000 Equity Share (Previous Year 10,000 Equity Share) of Rs.100 each fully paid-up,)

Span Biotronics Pvt.Ltd.

500,000

500,000

(5,000 10% Cumulative Preference Shares (Previous Year 5,000 Shares) of Rs.100 each fully paid-up - Redeemable not later than year 2018;)

Sachin Infra Management Ltd.

2,000

2,000

(200 Shares (Previous Year 200 Shares) of Rs.10 each fully paid-up)

6,902,000

9,377,461

	31-03-2010	31-03-2009
	Rs.	Rs.
<b>Schedule 7 : INVENTORIES</b>		
(As per inventory taken valued and certified by the Management)		
Raw Materials	51,092,094	40,277,101
Primary Packing Materials	41,852,133	25,202,502
Consumable Stores	6,932,421	6,423,502
Work-in-Process	12,818,574	11,426,208
Semi-Finished	18,093,941	12,869,518
Finished Goods	20,325,276	28,809,985
Traded Goods	37,267,809	43,866,973
	<u>188,382,248</u>	<u>168,875,790</u>
<b>Schedule 8 : SUNDRY DEBTORS :</b>		
(Un secured )		
Debts outstanding for a period exceeding six months		
Considered Good	18,545,291	18,795,940
Considered Doubtful	1,466,175	1,922,487
	<u>20,011,466</u>	<u>20,718,427</u>
Others - Considered Good	161,769,726	181,936,108
	<u>181,781,192</u>	<u>202,654,535</u>
Less : Provision for Bad and Doubtful Debts	1,466,175	1,922,487
	<u>180,315,017</u>	<u>200,732,048</u>
<b>Schedule 9 : CASH AND BANK BALANCE</b>		
Cash on Hand	43,468	54,570
Bank Balances with Scheduled Banks :		
In Current Accounts	14,838,345	12,173,018
In Fixed Deposit Accounts [Includes Rs 9,090,602/- (previous year Rs.10,616,205/-) under Bank's lien]	11,792,737	12,899,556
	<u>26,674,550</u>	<u>25,127,144</u>
<b>Schedule 10: LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	35,352,396	27,778,619
Balance with Excise Department	669,096	2,910,331
Other Deposits	6,376,149	6,619,356
	<u>42,397,641</u>	<u>37,308,306</u>
<b>Schedule 11: CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities :</b>		
Sundry Creditors	147,366,439	111,870,416
Other Liabilities	44,907,501	39,472,029
Unclaimed Dividend #	582,606	767,357
	<u>192,856,546</u>	<u>152,109,802</u>
<b>Provision :</b>		
Proposed Dividend	8,681,875	0
Dividend Distribution Tax	1,475,485	0
Provision for Tax (Net of Advance Tax & TDS)	987,353	(3,795,542)
Provision for Fringe benefit Tax (Net of Advance Tax)	(14,058)	66,360
	<u>203,987,201</u>	<u>148,380,620</u>

# There are no amounts due and outstanding to be credited to the investor Education and Protection Fund.

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

	<u>31-3-2010</u> Rs.	<u>31-3-2009</u> Rs.
<b>Schedule 12 : SALES</b>		
Gross Sales (Net of return)	790,102,982	680,811,592
Less : Discount & Rate Difference	324,697	746,966
	<u>789,778,285</u>	<u>680,064,626</u>
<b>Schedule 13 : OTHER INCOME</b>		
Miscellaneous Income	1,596,095	1,554,552
Interest Received (Gross) (TDS Rs.129,119/- Previous Year Rs.253,099/-)	1,385,949	1,447,570
Insurance claim received	308,107	528,395
Profit on Sale of Assets	47,730	0
Service Charges	11,173,143	9,012,201
Profit on Forward Contract (Net)	213,665	84,323
Profit on DEPB License	458,677	359,234
Leave and License Fees Income	2,190,000	1,277,500
Exchange rate difference	6,151,205	0
Export Incentive	2,141,435	0
Sundry Credit Balance written back	3,283,444	1,285,495
	<u>28,949,450</u>	<u>15,549,270</u>
<b>Schedule 14 : INCREASE/(DECREASE) IN STOCK</b>		
<b>Opening Stock</b>		
Work-in-process	11,426,208	10,660,001
Semi-Finished Goods	12,869,518	8,849,575
Finished Goods	28,809,985	32,445,534
Traded Goods	43,866,973	46,867,054
	<u>96,972,684</u>	<u>98,822,164</u>
Less : Excise Duty	3,603,372	2,552,977
	<u>93,369,312</u>	<u>96,269,187</u>
<b>Less : Closing Stock</b>		
Work-in-process	12,818,573	11,426,208
Semi-Finished Goods	18,093,941	12,869,518
Finished Goods	20,325,276	28,809,985
Traded Goods	37,267,809	43,866,973
	<u>88,505,599</u>	<u>96,972,684</u>
Less : Excise Duty	2,743,905	3,603,372
	<u>85,761,694</u>	<u>93,369,312</u>
	<u>(7,607,618)</u>	<u>(2,899,875)</u>
<b>Schedule 15: MATERIALS CONSUMED AND PURCHASE OF GOODS</b>		
Raw Materials consumed	127,356,516	115,960,794
Packing Materials consumed	101,577,111	90,930,354
Purchase of goods for resale	118,646,180	101,011,319
	<u>347,579,807</u>	<u>307,902,467</u>

	<u>31-3-2010</u> Rs.	<u>31-3-2009</u> Rs.
<b>Schedule 16 : MANUFACTURING AND OTHER EXPENSES</b>		
<b>Employees Cost</b>		
Salaries,Wages,Benefits and other allowances (including Directors' Remuneration)	96,162,536	91,944,629
Contribution to Provident and other funds	9,801,746	12,190,644
Welfare Expenses	<u>3,876,438</u>	<u>3,513,817</u>
	109,840,720	107,649,090
Processing charges	14,803,855	10,081,781
Laboratory Expenses	1,850,630	2,245,631
Power and Fuel	11,861,164	12,388,423
Stores Consumed	13,632,659	12,922,651
Repairs to Building	309,329	68,627
Repairs to Plant & Machineries	268,766	763,287
Communication Expenses	4,522,292	5,645,274
Printing and Stationery	1,100,134	580,645
Travelling and Conveyance	24,453,610	25,284,035
Directors' Sitting Fees & Allowances	245,000	270,000
Rates & Taxes	604,198	490,101
Insurance Charges	1,461,103	1,657,945
Rent	962,971	1,006,649
Exchange Rate Difference	0	10,678,024
Liquidated Damage	17,614,359	0
Royalty	1,222,630	1,481,978
Auditors' Remuneration	285,750	230,600
Target Discount	2,002,274	1,565,424
Freight Outward Expenses.	22,483,757	23,914,649
Research & Development Expenses	20,236,200	8,192,410
Legal & Professional Charges	9,779,369	17,487,180
Sales Commission	43,690,358	25,563,300
Loss on Investments (Net)	38,441	0
Other Expenses	<u>20,514,727</u>	<u>20,046,890</u>
	<u>323,784,296</u>	<u>290,214,594</u>
<b>Schedule 17 : INTEREST AND FINANCE CHARGES</b>		
Interest on Fixed Loans (include interest paid to Whole-time Director on fixed deposits Rs.187,469 (Previous Year Rs.839,881)	11,571,362	12,760,649
Interest on Other Loans	15,657,754	20,626,406
Bank Charges	<u>3,899,230</u>	<u>3,447,115</u>
	<u>31,128,346</u>	<u>36,834,170</u>

**Schedule 18: Notes on accounts annexed to and forming part of Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date.**

**1. Significant Accounting Policies**

**i) Basis of Accounting**

The financial statements are prepared under historical cost convention on accrual basis of accounting and in accordance with the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**ii) Use of Estimates**

The presentation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

**iii) Revenue Recognition & other Accounting policies**

- a. Sales are recognized when goods are dispatched. Sales are accounted net of amount recovered towards sales tax and sales returns. Discount, rate difference and excise duty paid are shown by way of further deduction from sales.
- b. Sales returns are accounted on actual receipt of return goods / settlement of claims.
- c. Services are accounted for pro-rata over the period of contract.
- d. Interest is recognized on time proportion basis taking into account the amount outstanding and rate of interest applicable.
- e. Export Incentive under Focus Market Scheme is recognized as and when granted.
- f. Rate differences are accounted on actual settlement with the parties.
- g. Insurance and other claims are accounted on cash basis.
- h. Custom Duties are accounted on cash basis.
- i. Incentive to Field staff is accounted on settlement of claims.
- j. Ex-gratia to employees covered under the Bonus Act is accounted on cash basis.
- k. Lease rent/License fees are accounted on accrual basis.
- l. Leave Travel Allowance is accounted as and when claimed and paid.

**iv) Fixed Assets & Depreciation**

- a) Fixed Assets are stated at cost of acquisition / construction, cost of improvement and any attributable cost of bringing the asset to its working condition for intended use or at revalued amounts wherever such assets have been revalued less accumulated depreciation.
- b) Depreciation on all assets except Buildings at Sachin is provided on written down value method and Depreciation on Buildings at Sachin is provided on Straight line Method at the rates and in the manner specified in schedule XIV of the Companies Act 1956.



**v) Intangible assets and amortization**

Intangible assets are measured at cost. Lump sum fees for technical know-how is amortised over the period of agreement. Software expenses are amortised over the period of five years.

**vi) Borrowing Cost**

Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalised as part of the cost of the assets, upto the date the asset is put to use. All other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.

**vii) Foreign Currency Transactions**

- a) Transactions other than those covered by forward contracts are accounted at exchange rates prevailing on the date of transaction.
- b) Forward premium in respect of forward exchange contract is recognised over the life of contract.
- c) Monetary foreign currency items other than those covered by forward contracts ( i. e. receivable, payable, etc.) denominated in foreign currency are reported using the closing exchange rate on each balance sheet date. Exchange difference is recognised as income/expense.
- d) Non-monetary foreign currency items are carried at historical cost determined on the date of transaction.

**viii) Employee Benefits**

- a) Short Term Employee Benefits :
 

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and the expected cost of bonus are recognized in the period in which an employee renders the related services.
- b) Post-Employment Benefits
  - i. Defined Contribution Plans : The Company's Statutory Provident Fund, Employees' Super-annuation Fund and Employee State Insurance Scheme are defined contribution plans. The Super-annuation fund created by the company has taken Super-annuation cum life insurance policy from Life Insurance Corporation of India. The company has no further obligation for Super-annuation, Provident Fund and Employee State Insurance beyond its contribution.
  - ii. Defined Benefit Plan : The Employees' Group Gratuity Fund is the Company's defined benefit plan for which Company has taken Group Gratuity cum Life Insurance Policy from Life Insurance Corporation of India. Gratuity expenses are recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of defined benefits are charged to the profit and loss account.
  - iii. Provision for accrued leave encashment is provided for on the basis of actuarial valuations made at the year end.

**ix) Cenvat Credit**

Cenvat credit available on purchase of materials, purchase of capital goods and input services is not charged to cost of material, capital goods and services. Cenvat credit availed is accounted by way of adjustment against excise duty payable on dispatch of finished goods or service tax payable on rendering of services.

**x) Taxation****Current Tax Provision**

Provision for Income Tax and Fringe Benefit Tax is determined in accordance with the provisions of the Income Tax Act, 1961.

**Deferred Tax Provision**

Deferred tax is recognised, on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**xi) Valuation of stock**

The mode of valuing closing stock is as under :-

- Raw-Materials, Packing Materials  
and Other Materials : at moving weighted average cost basis
- Work-in-Process : at Cost.
- Finished Goods/  
Traded Goods : at lower of Cost or net realizable value.

The cost for the purpose of valuation of Finished Goods and work-in-process includes material cost, direct conversion cost and appropriate share of overheads incurred for bringing the goods to their present location and condition plus excise duty wherever applicable.

**xii) Leases**

Assets acquired on lease and assets given on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The initial direct cost of lease is charged to profit and loss account as and when incurred. Lease rental are charged to Profit and loss Account on accrual basis.

**xiii) Provision for Bad and Doubtful debts**

Provision is made in accounts for Bad and Doubtful Debts as and when the same in opinion of the management are considered doubtful of recovery.

**xiv) Liquidated Damages**

Liabilities in respect of Liquidated Damages are provided if and to the extent, not disputed by the Company. Liquidated Damages disputed by the Company are treated as contingent liability. The amount of liability and contingent liability is estimated on the basis of contracted terms, facts of each case and to the extent of revenue recognised.

**xv) Impairment of Fixed Assets**

Consideration is given at each Balance Sheet date to determine whether there is any indication for impairment of carrying amount of the Company's fixed assets. If there is any indication of impairment based on internal / external factors, then asset's recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

**xvi) Investment**

Long-term investments are carried at cost. Provision for diminution is made to recognize a decline, other than temporary in value of long-term investments and is determined separately for each individual investment. Current investments are carried at lower of cost and fair value computed separately in respect of each category of investment.

**xvii) Research & Development**

Revenue expenditure on research and development is charged as an expense in the year in which it is incurred. Capital expenditure on research and development is included as additions to fixed assets.

**xviii) Provisions, contingent liabilities and contingent assets****Provisions :-**

Provision is recognised when

- a) The Company has a present obligation as a result of past event;
- b) It is probable that an outflow of resources embodying economic benefit is expected to settle the obligation, and
- c) A reliable estimate can be made for the amount of obligation.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

**Contingent liability:-**

Contingent Liability is disclosed in case of

- a) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation,
- b) A possible obligation unless the probability of outflow of resources is remote.

**Contingent assets:-**

Contingent assets are neither recognised nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

## 2. Notes on Accounts

A. <b>Contingent Liabilities not provided for in respect of</b>	<b>31-3-2010</b> Rs.	<b>31-3-2009</b> Rs.
1 Sales tax: Demands under contest (Net of Tax) C-Form Pending (Net of Tax)	396,815 544,000	1,820,040 167,000
2 Disputed Liquidated Damages with respect to institutional customers (Net of Tax)	422,813	Nil
3 Excise Demand under dispute (Net of Tax)	83,280	83,280
4 Claims against the Company not acknowledged as Debts	6,205,418	6,335,500
5 On account of guarantees given by the bank on behalf of the company in favour of customs and others.	31,933,107	22,344,425
6 The Company has imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India at concessional rates of customs duty by undertaking obligations to export. Future outstanding export obligations under the Scheme as on 31-03-2010 aggregating of USD 76,944.10 if not fulfilled may result in custom duty liability of (Net of tax)	297,699	428,741
7 The Company has imported material under the Advance Authorization Scheme of the Government of India, at concessional rates of customs duty by undertaking obligations to export certain quantity of specified products. Future outstanding export obligations quantity under the Scheme as at 31-03-2010, which if not fulfilled may result in custom duty liability of (Net of tax)	11,656,611	Nil

B. Capital Commitments	<b>31-3-2010</b> Rs.	<b>31-3-2009</b> Rs.
Estimated amount of contracts (Net of advances) remaining to be executed on Capital Account had not provided for	34,636,282	30,068,000

### C. **Employee Benefits**

Disclosures pursuant to Accounting Standard – 15 (Revised) ' Employee Benefits':

#### **Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognized as expense for the year are as give below.

(Rs. In Lacs)

	2009-10	2008-09
Employer's Contribution to Provident Fund and Family Pension Fund	51.95	52.50
Employer's Contribution to Employee State Insurance Fund	12.27	10.59
Employer's Contribution to Super Annuation Fund	15.14	14.63

### **Defined Benefit Plan**

The Employees' Group Gratuity Fund is the Company's defined benefits plan for which Company has taken Group Gratuity cum Life Insurance Policy from Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

#### **i) Reconciliation of opening and closing balance of Defined Benefit Obligation**

(Rs. In lacs)

	<b>Gratuity (Funded)</b>	<b>Gratuity (Funded)</b>
	<b>2009-10</b>	<b>2008-09</b>
Defined Benefit obligation at beginning of year	205.59	175.98
Current Service Cost	14.37	13.55
Interest Cost	16.45	14.08
Actuarial (Gain)/loss	(1.04)	24.12
Benefit Paid	(12.07)	(22.14)
Defined Benefit Obligation at year end	<b>223.30</b>	<b>205.59</b>

#### **ii) Reconciliation of opening and closing balance of Fair value of plan assets**

(Rs. In lacs)

	<b>Gratuity (Funded)</b>	<b>Gratuity (Funded)</b>
	<b>2009-10</b>	<b>2008-09</b>
Fair Value of plan assets at beginning of year	181.54	126.16
Expected return on plan assets	17.74	14.16
Actuarial (gain) / loss	--	--
Employer's contribution	38.40	63.36
Benefit Paid	(12.07)	(22.14)
Fair value of plan assets at year end	<b>225.61</b>	<b>181.54</b>
Actual return on plan assets	17.74	14.16

#### **iii) Reconciliation of Fair value assets and obligation**

(Rs. In lacs)

	<b>Gratuity (Funded)</b>	<b>Gratuity (Funded)</b>
	<b>As at 31st March 2010</b>	<b>As at 31st March 2009</b>
Fair value of plan assets	225.61	181.54
Present value of obligation	223.30	205.59
Amount recognized in Balance Sheet as liability / (asset)	(2.31)	24.05

**iv) Expense recognized during the year**

(Rs. In lacs)

	<b>Gratuity (Funded)</b>	<b>Gratuity (Funded)</b>
	<b>2009-10</b>	<b>2008-09</b>
Current Service Cost	14.37	13.55
Interest Cost	16.45	14.08
Expected return on plan assets	(17.74)	(14.16)
Actuarial (gain) / loss recognized in the year	(1.04)	24.12
Net Cost recognized in Profit & Loss Account	12.04	37.59

**v) Investment Details**

The company has contracted with Life Insurance Corporation of India (LIC) to manage gratuity liability of the company. The Company makes the required contribution to LIC based on computation of current service cost, expected earnings and actuarial assumptions etc. The Company has not made any other investment for defined benefit plan.

**vi) Actuarial Assumptions**

(Rs. In lacs)

Mortality Table (LIC) [1994-96 (Ultimate)]	<b>Gratuity (Funded)</b>	<b>Gratuity (Funded)</b>
	<b>2009-10</b>	<b>2008-09</b>
Discount rate (per annum)	8%	8%
Expected rate of return on plan assets (per annum)	9.25%	9.25%
Rate of escalation in salary (per annum)	7%	7%

**D. Deferred Tax Liability / (Asset)**

Major components of Deferred Tax Assets and deferred Tax Liabilities arising on timing differences are :

(Rs. In '000)

	<b>31-03-2010</b>	<b>31-03-2009</b>
<b>Deferred Tax Liability</b>		
Difference between Depreciable Assets as per books of accounts and written down value for tax purpose	14,523	13,345
Others	2,387	2,952
	16,910	16,297
<b>Deferred Tax Assets</b>		
Disallowance U/S 43B		
a) Provision for leave encashment	947	191
b) Provision for Excise	51	51
c) Provision for doubtful debts	410	653
d) Others	1180	340
	2588	1,235
Net Deferred tax Liability	14,322	15,062
Net Incremental Liability / (Assets) charged/(credited) to Profit & Loss Account	<b>(740)</b>	<b>5,383</b>

**E. Earning per share**

	2009-10	2008-09
<b><u>Basic Earning per share</u></b>		
Profit after taxation as per profit and loss account net of Prior period adjustment	53,895,004	10,729,574
Weighted average number of equity shares outstanding	3,391,370	3,152,589
Basic earning per shares in Rupees (face value – Rs. 10 per share)	<b>15.89</b>	<b>3.40</b>
<b><u>Diluted Earning per share</u></b>		
Profit after taxation as per profit and loss account net of Prior period adjustment	53,895,004	10,729,574
Add: Change in income or expenses subsequent to conversion of potential equity shares into equity shares.	Nil	Nil
Adjusted Profit for diluted earning per share (A)	53,895,004	10,729,574
Weighted average number of equity shares outstanding	3,391,370	3,152,589
Add: Weighted average number of potential equity shares on account of pending allotment	33,955	Nil
Weighted average number of equity shares outstanding for Diluted EPS (B)	3,425,325	3,152,589
Diluted earning per share in Rupees (C) = (A)/(B)	<b>15.73</b>	<b>3.40</b>

**F. Expenditure on Research and Development**

Research and development expenditure of Rs. 205.16 Lacs is recognised as revenue expenses during the year. (Previous year Rs.81.92 Lacs.)

**G. Increase in Equity Share Capital**

During the year, 165,250 preference equity shares each of Rs. 10 were issued on a preferential basis by the company at a the premium of Rs. 29.97 each aggregating to Rs. 6,605,042/-. The same was utilized for funding the capital expenditure / strategic investment.

**H. Impairment Loss**

There was no impairment loss on Fixed Assets on the basis of review carried out by the Management in accordance with Accounting Standard 28 'Impairment of Asset'.

**I. Lease**

- i) The Company does not have financial lease arrangement.
- ii) The Company has taken residential, office and godown premises under short term cancelable lease arrangements and are renewable on mutually agreeable terms.

Rent paid under this agreement Rs. 9,62,971/-

- iii) The Company has given premises under non-cancelable lease arrangements.

Rent received during the year under this agreement Rs. 21,90,000/-

Future minimum lease rental in respect of assets given on non-cancelable operating lease for premises is as under.

- Receivable within one year Rs. 21,90,000/-
- Receivable between one year and five year Rs. 9,12,500/-
- Receivable after five year Rs. Nil

**J. Segment reporting**

The company operates in a single segment – Diagnostic Products.

**K. Related party disclosures**

Related party Disclosures as required by AS-18 are given below.

**1 Relationship.**

(i) Other Related parties where common control exists.

Span Finstock Pvt.Ltd.  
Quest Biochemicals Pvt. Ltd.  
Span Diagnostics SARL  
Span Diagnostics FZC  
Span Biotronics Private Limited  
Span Nihon Kohden Diagnostics Pvt. Ltd.

(ii) Key Management Personnel :

Dr. Pradip. K.Desai  
Mr. Veeral . P. Desai  
Mrs. Sujata V . Desai  
Miss Madhukanta .T. Patel

(iii) Relatives of key management personnel and their enterprise, where transactions have taken place.

Mrs. Lata P. Desai  
Mrs. Tejal V. Desai  
Mrs. Shital S. Kazi  
Shri. Pradip. K. Desai HUF  
Dr. Harshad R. Gandhi  
Mrs. Kokila H. Gandhi  
Mr. Sunil T. Patel  
Smt. Bhanuben T. Patel

(iv) Enterprise over which persons described in (ii) above is able to exercise significant influence.

Desai Metropolis Health Services Pvt. Ltd.  
Span Educational & Research Foundation

Note : Related party relationship on the basis of the requirements of Accounting Standard (AS) 18 as in 1 (i) to (iv) above is identified and certified by the Management and relied upon by the Auditors.



## 2. Transactions with related parties

Particulars	Referred In 1(i) Above	Referred In 1(ii) Above	Referred In 1(iii) Above	Referred In 1(iv) Above
<b>Sales :</b>				
Goods and Material	2,144,775 (3,176,866)			617,492 (949,034)
Service				58,500 (Nil)
<b>Purchase:</b>				
Goods and Material	44,555,825 (8,723,930)			
<b>Expenses :</b>				
Remuneration/sitting Fees		15,553,638 (12,371,884)		
Interest on F.D./Loan		200,156 (867,028)	547,893 (830,312)	
Rent paid		22,000 (18,000)	60,000 (66,000)	
Dividend Paid		Nil (1,187,048)	Nil (633,560)	
R&D Outsourcing Charge	71,00,000 (6,744,000)			
Gardening Expense				611,362 (Nil)
Selling & Marketing Expence	1,007,203 (Nil)			
<b>Income :</b>				
License Fees	2,190,000 (1,277,500)			
Interest Income	Nil (240,905 )			
Other Income	686,316 (Nil)			
<b>Capital Items :</b>				
Loan & Advances received	3,000,000 (2,753,501)	Nil (2,675,700)	350,000 (1,397,000)	
Loan & Advances given	1,245,901 (6,531,981)			
Purchase of Technology (W.I.P)	2,961,198 (Nil)			
Purchase of Asset	941,695 (Nil)			
Investment Made	Nil (5,400,000)			
Loss on Sale of Investment	756,821 (Nil)			
Outstanding loan/Deposit payable	500,000 (518,016)	1,735,000 (32,00,000)	2,048,000 (68,48,000)	
Outstanding loan/Deposit receivable	333,885 (1,992,203)			
Outstanding others [Credit]/debit	[8,823,216] ([1,312,240])	Nil (Nil)	Nil (Nil)	7,226 (108,092)

L.	<b>Auditor's Remuneration</b>	31-3-2010 (Rs.)	31-3-2009 (Rs.)
	Audit Fees	155,000	125,000
	Tax Audit Fees	45,000	35,000
	Certification Fees	50,000	40,000
	Service tax on above fees	25,750	20,600
	Out of Pocket Expense	10,000	10,000
		<b>287,750</b>	<b>230,600</b>

<b>M. <u>Director's Remuneration</u></b>	<b>31-3-2010 Rs.</b>	<b>31-3-2009 Rs.</b>
Salaries, Allowances & Perquisites	10,859,150	9,469,565
Contribution to Provident Fund and other Funds*	2,722,600	2,662,300
Sitting Fees & Allowances	245,000	270,000
	<b>13,826,750</b>	<b>12,401,885</b>

\* Leave encashment provision is determined actuarially on an overall company basis at the end of each year and accordingly has not been considered in the above information.

<b>N. <u>Computation of net profits in accordance with section 349 of the Companies Act 1956 in respect of Commission Payable to a Director</u></b>	<b>31-3-2010 Rs.</b>	<b>31-3-2009 Rs.</b>
Profit before Taxation	76,805,600	23,241,074
Add : (1) Depreciation (as per accounts)	20,860,095	18,207,407
(2) Directors Remuneration	13,581,750	12,131,885
(3) Loss on sale of Fixed Asset and Investment	1,031,086	Nil
	112,278,531	53,580,366
Less : Depreciation as per section 350 of the Companies Act. 1956.	20,860,095	18,207,407
Less : Net Profit on Sales of Fixed Assets and Investment.	766,110	Nil
Net Profit as per Section 349	90,652,326	35,372,959
Commission to Directors :		
To Whole time Director - 0% (P.Y.-0%) of Net Profit	Nil*	Nil*
To Managing Director - 0% (P. Y. -0%) of Net Profit	Nil*	Nil*
	Nil	Nil

\* In view of inadequate profit in terms of section 198 of the Companies Act 1956, Managing Director and Whole time Director are not entitled to commission on profit.

#### **O. Sundry Creditors**

The Company has amounts due to suppliers under 'The Micro Small and Medium Enterprise Development Act, 2006 (MSMED Act) as at 31<sup>st</sup> March, 2010. The disclosure pursuant to the said Act is as under:

<b>Particulars</b>	<b>2009-10 (Rs.)</b>
Principal amount due to suppliers under MSMED Act	54,046
Interest accrued, due to suppliers under MSMED Act on the above amount and unpaid	76
Payment made to suppliers (other than interest) beyond the appointed day during the year	369,709
Interest paid to suppliers under MSMED Act (other than Section 16)	Nil
Interest paid to suppliers under MSMED Act (Section 16)	Nil
Interest due and payable towards suppliers under MSMED Act for payments already made	4,408
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	4,484

#### **P. Exchange Rate Difference**

The Exchange rate difference arising on foreign currency transactions has been credited to Profit and Loss account Rs. 61.51 Lacs (Profit) [Previous Year 106.78 Lacs (loss)].

#### **Q. Disclosure for Borrowing Costs capitalized**

In accordance with AS-16 related to Borrowing costs which amounts to Rs.0.81 lacs has been capitalized during the year (Previous year Rs. 14.74 Lacs ).

**R. Interest in Joint Ventures**

## Jointly controlled Entities

Name of Joint Venture	Country of Residence	Proportion of Ownership (%) as on	
		31-03-10	31-03-09
<b>Foreign Joint Ventures</b>			
Span Diagnostics SARL	France	0%*	20%
Span Diagnostics (FZC)	UAE	0%**	40%
<b>Indian Joint Venture</b>			
Span Nihon Kohden Diagnostics Pvt. Ltd.	India	45%	45%

\* During the year the Company has divested its investment in Span Diagnostics S.A.R.L.

\*\* During the year the Company has divested its investment and closed operation of Span Diagnostics (FZC) as it was not found economically viable as a logistic hub.

**Financial interest in Jointly Controlled Entities**

(Rs. In '000)

As at 31st March 2010			
Particulars	Span Diagnostics SARL as at 31.03.10 (Disinvest date) (Unaudited)	Span Diagnostics (FZC) as at 07.02.10 (Closure Date) (Audited)	Span Nihon Kohden Diagnostics Pvt. Ltd as at 31.03.10 (Unaudited)
Assets	Nil	Nil	12,925
Liabilities	Nil	Nil	2,381
Income	4,247*	3,175**	17,555
Expenses	3,815*	3,164**	8,285
Tax	(737)*	—	2,768

\* Income and Expense Figures for Span Diagnostic SARL are for period 01.01.09 to 31.03.10 (15 months)

\*\* Income and Expense Figures for Span Diagnostic FZC are for period 01.01.09 to 07.02.10 (13 months and 7 days)

**S. Balances of sundry debtors are as per books of accounts****T. The figures for the previous year have been regrouped/recast/reclassified wherever necessary in conformity with those of current year.**

U. Additional information pursuant to part II of Schedule VI of the Companies Act, 1956 (As certified by the management)	31-3-2010 Rs.	31-3-2009 Rs.
<b>a) Earnings in Foreign Exchange</b> Export of Goods calculated on F.O.B. basis	54,619,636	129,334,706
<b>b) Expenditure in foreign currency Other matters</b>		
1. Royalty	115,116	1,504,605
2. Bank Interest	142,848	559,950
3. Dividend (Paid NIL dividend for the year 2008-09)(Previous Year on 61500 shares to 10 Non-Resident shareholders for the year 2007-08)	---	123,000
4. Research & Development Expense	1,113,107	---
5. Other Expenses	8,236,501	6,311,541

	31-3-2010 Rs.	31-3-2009 Rs.
<b>c) Value of imports calculated on CIF basis</b>		
Raw Materials & Packing Materials	108,527,545	93,590,055
Goods for resale	66,565,200	83,369,192
Capital Goods	8,095,506	3,526,495
Consumable Stores	5,197,425	3,050,479

d) Raw Material Consumed	Unit of Measurement	Qty	31-3-2010 Value Rs.	Qty	31-3-2009 Value Rs.
Chemicals etc.	Ltr	378105	127,356,516	177293	115,960,794
	KG	20330		25247	
	KU	373482		397142	
	No	5491176		8558512	
	Other	11828		7785	
Packing Material	KG	18611	101,577,111	7865	90,930,354
	No	103844800	88809295		

e) Value of Materials, Stores Spares Consumed	2009-10 Rs.	%	2008-09 Rs.	%
<b>a) Raw Materials</b>				
Imported	94,534,940	74.23	91,985,121	79.32
Indigenous	32,821,576	25.77	23,975,673	20.68
	127,356,516	100.00	115,960,794	100.00
<b>b) Packing Materials</b>				
Imported	7,833,493	7.71	13,090,040	14.40
Indigenous	93,743,618	92.29	77,840,314	85.60
	101,577,111	100.00	90,930,354	100.00
<b>c) Stores and Spares</b>				
Imported	3,056,304	22.42	852,830	6.60
Indigenous	10,576,355	77.58	12,069,821	93.40
	13,632,659	100.00	12,922,651	100.00

**Note :** Quantity of chemical etc. as stated in note "U" (above) is certified by the management and relied upon by the auditors.

**f) Quantitative Details (Trading)**

(Rs.in Lacs)

Sr. No.	Group	Annual Purchase No.of Units	Annual Purchase Rs.in Lacs	Opening Stock		Closing Stock		Sales	
				Units	Rs.	Units	Rs.	Units	Rs.
1.	Medical Diagnostic Equipments	360 (515)	670.67 (805.90)	234 (181)	364.39 (342.90)	215 (234)	315.08 (364.39)	379 (462)	805.90 (922.73)
2.	Diagnostic Reagent	167,444 (61,991)	515.79 (204.22)	47,893 (67,984)	74.28 (125.77)	33,167 (47,893)	57.60 (74.28)	182,170 (82,082)	740.68 (305.52)
<b>TOTAL</b>			1,186.46 (1010.12)		438.67 (468.67)		372.68 (438.67)		1,546.58 (1228.25)

**g) Quantitative Details (Manufacturing)**

Sr. No.	Group	Licenced Capacity	Annual Installed Capacity	Annual Production	Opening Stock		Closing Stock		Sales	
					Quantity	Rs. in Lacs	Quantity	Rs. in Lacs	Quantity	Rs. in Lacs
1.	Diagnostics Reagents	400000 litres	400000 litres	245273 litres (517857 litres)	(No of Units/test) 147,323 (179,422)	152.04 (195.93)	(No of Units/test) 110,813 (147,323)	109.38 (152.04)	(No of Units/test) 694,524 (947,578)	1,527.52 (1,633.26)
2.	Elisa kit for Aids	120000 litres	120000 litres	1511 litres (1319 litres)	1,852 (59)	13.43 (0.35)	1,596 (1,852)	9.11 (13.43)	43,369 (11,774)	295.27 (119.44)
3.	Agglutinating Sera	15000 litres	15000 litres	6052 litres (4056 litres)	30,499 (46,721)	45.97 (33.80)	28,461 (30,499)	29.50 (45.97)	297,319 (320,754)	619.33 (592.80)
4.	Bacteriological Products	15000 litres	15000 litres	13289 litres (11860 litres)	60,121 (27,893)	18.53 (13.69)	69,602 (60,121)	24.94 (18.53)	464,903 (468,285)	495.82 (461.93)
5.	Rapid Immuno Diagnostics tests	510 lac test	510 lac test	223.40 lacs test (190.73 lacs test)	18,605 (9,312)	58.13 (55.16)	18,627 (18,605)	30.32 (58.13)	669,762 (688,215)	3,413.26 (2,764.96)
<b>TOTAL</b>						288.10 (298.93)		203.25 (288.10)		6,351.20 (5,572.39)

- NOTES :**
1. Licenced Capacity : As per Industrial Entrepreneur Memorandum filed with Government of India. In respect of the products presently manufactured by the company.
  2. Sales are shown after discount and sales return.
  3. Materials produced for captive use excluded from sales.
  4. Previous year figures are shown in brackets.
  5. Annual Installed capacity being a technical matter, it is as certified by the production manager and accepted by the auditors.

Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I.	Registration Details	U24299GJ1980PTC003710
	Corporate Identity Number (CIN)	04
	State Code	31/03/2010
	Balance Sheet Date	
II.	Capital Raised during the Year (Amount in Rs. Thousands)	
	Public Issue	Nil
	Rights Issue	Nil
	Bonus Issue	1652
	Private Placement	
III.	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)	
	Total Liabilities	470,618
	Total Assets	470,618
	Sources of Funds	
	Paid-up Capital	34,728
	Reserves and Surplus	192,757
	Share Application Money	1,651
	Secured Loan	181,772
	Unsecured Loan	45,387
	Deferred Tax Liability	14,322
	Application of Funds	
	Net Fixed Assets	229,933
	Investments	6,902
	Net Current Assets	233,782
	Miscellaneous Expenditure	0
	Accumulated Losses	Nil
IV.	Performance of the Company (Amount in Rs. Thousands)	
	Turnover (including Other Income)	800,158
	Total Expenditure	723,353
	Profit Before Tax	76,806
	Profit After Tax	52,546
	Earning per share in Rs.	15.89
	Dividend Rate %	25%
V.	Generic Names of Principal Products of the Company	
	Product Description	Item Code No.(ITC Code)
	Diagnostic Reagent	382200.09
	Agglutinating Sera	300210.07
	Other Bacteriological Products	300290.09

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

	31.03.2010 Rs.	31.03.2009 Rs.
<b>A CASH FLOW FROM THE OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEM ADJUSTED FOR	76,805,600	23,241,075
Depreciation and Amortization	20,860,095	18,207,407
Deferred Revenue Expenses	0	502,496
Investment Income	(1,385,949)	(1,447,570)
Interest Charged	31,128,346	36,834,170
Loss on sales of fixed assets (Net)	226,535	0
<b>Operating Profit before working capital changes</b>	<b>127,634,627</b>	<b>77,337,578</b>
<b>ADJUSTED FOR CHANGES IN</b>		
Trade and Other Receivables	15,327,697	(73,360,554)
Inventories	(19,506,458)	9,622,222
Trade Payables and other liabilities	40,931,495	4,003,138
<b>Cash generated from operations</b>		
Less : Direct taxes (Including FBT of earlier year) paid during the year	164,387,361	17,602,384
Cash flow before Extra-ordinary items	18,872,866	9,183,840
Prior period adjustments	145,514,495 (75,253)	8,418,544 1,446,098
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>145,439,242</b>	<b>9,864,642</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition in Fixed Assets and Capital Work in Process	(49,914,142)	(32,921,495)
Proceeds from Sales of Fixed Assets	341,550	365,359
Addition in Investment	0	(4,294,528)
Proceeds from Sales of Investment	2,475,461	0
Interest received	1,385,949	1,447,570
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(45,711,182)</b>	<b>(35,403,094)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	8,256,304	9,287,775
(Repayment)/Proceeds(of)/ from Borrowings	(75,123,860)	51,218,098
Interest paid	(31,128,346)	(36,834,170)
Dividend & Corporate Dividend Tax paid	(184,752)	(7,370,685)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(98,180,654)</b>	<b>16,301,018</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>1,547,406</b>	<b>(9,237,434)</b>
CASH AND CASH EQUIVALENTS - OPENING BALANCE	25,127,144	34,364,578
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	26,674,550	25,127,144

As per our Report of even date attached hereto :

**For Y.B. DESAI & ASSOCIATES**

Chartered Accountants

**Firm ICAI Registration No.102368W****Y.B.DESAI**

Partner

M.No. 8767

Place : Surat

Date : 5th June, 2010

For and on behalf of the Board

**Smt. Lata P. Desai***Chairperson***V. P. Desai***Managing Director*

Place : Surat

Date : 5th June, 2010

**Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies :**

Name of the subsidiary company Financial year of the subsidiary company ended on	Span Biotronics Private Limited 31st March, 2010
Number of Shares in the subsidiary company held by Span Diagnostics Ltd at the above date : Equity Shares Preference Shares	10000 5000
Extent of Span Diagnostics Ltd's holding in the subsidiary company at the above date : Equity Shares Preference Shares	95.24% 100%
The net aggregate of profit(loss) of the subsidiary company so far as it concerns the members of Span Diagnostics Ltd.  1) Dealt with in the accounts of Span Diagnostics Ltd amounted to : (a) for the subsidiary's financial year ended March 31, 2010. (b) for previous financial years of the subsidiary since it became subsidiary of Span Diagnostics Ltd.  2) Not dealt with in the accounts of Span Diagnostics Ltd amounted to : (a) for the subsidiary's financial year ended March 31, 2010. (b) for previous financial years of the subsidiary since it became subsidiary of Span Diagnostics Ltd.	(Rs. In Lacs)  Nil Nil  6.71 (4.28)
Changes in the interest of Span Diagnostics Ltd between the end of the subsidiary's financial year and March 31, 2010 :  Number of shares acquired  Material changes between the end of the subsidiary's financial year and March 31,2010: i) Fixed assets (net additions) ii) Investments iii) Money lent by the subsidiary iv) Moneys borrowed by the subsidiary company other than for meeting current liabilities	Nil  Nil Nil Nil Nil

For and on behalf of the Board

**Smt. Lata P. Desai** *Chairperson*
**V. P. Desai** *Managing Director*

Surat, 5th June, 2010.



**SPAN BIOTRONICS PRIVATE LIMITED**  
Registered Office: 2 Vatika, 14, Baptista Road, Ville Parle (W)  
Mumbai 400056

**DIRECTORS' REPORT**

**To**  
**The Shareholders**

Your Directors have pleasure in presenting the THIRD ANNUAL REPORT for the period ended 31st March 2010 together with the Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the financial year ended on that date.

**FINANCIAL RESULTS**

	<b>2009-10 Rs.</b>	<b>2008-09 Rs.</b>
<b>Sales &amp; Other Income</b>	<b>7,100,000</b>	<b>6,744,000</b>
The net operating income/(loss) for the first financial year ended 31st March, 2010 after deducting all charges and expenses excluding depreciation amounted to	784,917	2,204,820
Depreciation	71,361	72,392
Provision for Tax:		
Current Tax	125,000	230,000
Deferred Tax	(82,493)	(71,480)
Fringe Benefit Tax	-	22,380
<b>PROFIT AFTER TAX</b>	<b>671,049</b>	<b>1,951,528</b>
Balance brought forward	(427,744)	(2,379,272)
	<u>243,305</u>	<u>(427,744)</u>
<b><u>APPROPRIATIONS</u></b>		
Balance carried to Balance Sheet	243,305	(427,744)
	<u>243,305</u>	<u>(427,744)</u>

## **OPERATIONS**

Your Directors have pleasure in informing you that the company has made profit after tax of Rs.6.71 lacs during the year under consideration as compared to Rs.19.51 lacs in previous year.

## **OUTLOOK FOR THE CURRENT YEAR AND FUTURE PROSPECTS**

Span Biotronics Pvt Ltd (SBPL) is engaged in development of the following R&D projects which are likely to be released to Manufacturing in the current year:

Laboratory Instruments – Two Projects  
Laboratory Accessories – Two Projects  
Laboratory Reagents – Three Projects

These projects have tremendous potential for commercialization in near future.

Reagent R & D projects have started recently and are likely to lead to some new reagent kits in the current year.

We hope to purchase office space in this year and set up R & D center in the new location.

Revenue for SBPL in the current year will be generated primarily from the following mechanisms:

- I. Consultancy for design, development, validation, technical support etc
- II. Technology transfer fees and royalty fees
- III. Licensing IP rights

The company has planned significant step up in R & D expenditure for the next three years to tap the growth potential in Diagnostics Device Industry.

## **DIVIDEND**

In view of the need to conserve resources for future projects and marginal profit earned during the year your Directors regret their inability to declare dividend on shares.

## **BORROWINGS**

The company has neither accepted any fixed deposits from public.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Having regard to nature of services rendered by the company it has not consumed any energy of any significant level and accordingly no measures were taken for energy conservation. No Investment was made on technology absorption considering the nature of activities undertaken by your company during the year under review. The company has neither used nor earned any foreign exchange during the year.

## **DIRECTORS RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA)**

We, the Board of Directors of Span Biotronics Pvt. Ltd, confirm:

- a. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year.
- c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. That the Directors have prepared the Annual Accounts on a going concern basis.

### **PARTICULARS OF EMPLOYEES**

There are no employees drawing remuneration of Rs.24,00,000/- per annum or more, if employed throughout the year or Rs.2,00,000/- per month or more if employed for the part of the year. Hence provisions of section 217(2A) of the Companies Act, 1956 are not applicable to the company.

### **SECRETARIAL COMPLIANCE CERTIFICATE**

A copy of Secretarial Compliance Certificate pursuant to provisions of proviso to section 383A(1) from M/s. Rashmi N. Shah & Associates, Secretaries in whole-time practice has been obtained and attached to this report.

### **AUDITORS**

M/s. A J Shah & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting. They are however, eligible for reappointment. A certificate to the effect that their reappointment, if made, will be in accordance with the limits specified in sub-section (1-B) of the Section 224 of the Companies Act, 1956 has been furnished.

On behalf of the Board

For SPAN BIOTRONICS PVT. LTD

Sanjay Mehta  
Director

Sujata Desai  
Director

Place: Mumbai

Date: 10<sup>th</sup> May, 2010.

## AUDITOR'S REPORT

To,  
The Members of  
SPAN BIOTRONICS PRIVATE LIMITED.

1. We have audited the attached balance sheet of **SPAN BIOTRONICS PRIVATE LIMITED ('Company')** as at 31<sup>st</sup> March, 2010, the Profit & Loss Account and the Cash Flow Statement for the period ended 31<sup>st</sup> March, 2010 are annexed thereto. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditors Report) Order-2003 issued by Department of the Companies affairs, in terms of section 227 (4A) of the Companies Act, 1956 since in our opinion and according to the explanation given to us, the said order is not applicable to the Company.
4. We report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been maintained by the Company, so far as appears from our examination of the books;
  - (c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable;
  - (e) On the basis of written representations received from the directors of the company as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes to the accounts thereon, give the information required by the Companies Act, 1956 in the manner so enquired and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company, as at 31<sup>st</sup> March, 2010
    - (ii) in the case of the Profit and Loss Account, of the profit for the period ended on that date and
    - (iii) in the case of Cash Flow Statement, the cash flow for the period ended on that date.

**For A.J. SHAH AND COMPANY  
CHARTERED ACCOUNTANTS  
FRN : 109476W**

**PLACE: MUMBAI  
DATE : 10 May, 2010**

**(HIREN SHAH)  
PARTNER  
MEMBERSHIP NO.100052**

**SPAN BIOTRONICS PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2010**

<b>SOURCE OF FUNDS</b>	Schedule	31-3-2010 Rs.	31-3-2009 Rs.
<b>SOURCES OF FUNDS:</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	1,550,000	1,550,000
Reserves & Surplus	2	243,305	-
		<u>1,793,305</u>	<u>1,550,000</u>
<b>APPLICATION OF FUNDS:</b>			
<b>FIXED ASSETS</b>			
Gross Block (At Cost)	3	533,795	341,422
Depreciation		204,988	133,627
<b>Net Block</b>		<u>328,807</u>	<u>207,795</u>
Deferred Tax Asset (Refer Note No.9 of Schedule 10)		146,534	64,041
Current Assets, Loans and Advances	4	2,843,068	1,631,810
Less: Current Liabilities & Provisions	5	<u>1,551,175</u>	<u>820,497</u>
		1,291,893	811,313
Miscellaneous Expenditure	6	26,071	39,107
Profit and Loss Account		-	427,744
		<u>1,793,305</u>	<u>1,550,000</u>
Notes on Accounts	10		

Notes : Schedule 1 to 6 and 10 referred to herein form an integral part of the Balance Sheet

As per our Report of even date :

**For A. J. SHAH & CO.**

Chartered Accountants

**HIREN SHAH**

Partner

Membership No. 100052

Mumbai, Dated : 10th May 2010

**For SPAN BIOTRONICS PVT LTD.**

**Sanjay Mehta**  
Director

**Sujata Desai**  
Director

10th May 2010

**SPAN BIOTRONICS PRIVATE LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010**

<b>INCOME</b>	<b>Schedule</b>	<b>31-03-2010 Rs.</b>	<b>31-03-2009 Rs.</b>
Research and Development Consultancy Fees		7,100,000	6,744,000
		<b>7,100,000</b>	<b>6,744,000</b>
<b>EXPENDITURE:</b>			
Employees' Remuneration	7	4,992,548	3,140,697
Administrative Expenses	8	1,307,893	1,252,826
Interest and Finance charges	9	1,606	132,622
Depreciation		71,361	72,392
Preliminary Expenses Written Off		13,036	13,035
		<b>6,386,444</b>	<b>4,611,572</b>
<b>PROFIT BEFORE TAXATION</b>		<b>713,556</b>	<b>2,132,428</b>
Less: Provision for taxation			
Current tax		125,000	230,000
Deferred tax (Refer Note No.9 of Schedule 10)		(82,493)	(71,480)
Fringe Benefit Tax		-	22,380
<b>PROFIT AFTER TAXATION</b>		<b>671,049</b>	<b>1,951,528</b>
<b>APPROPRIATIONS</b>			
Balance brought forward		(427,744)	(2,379,272)
Balance carried to Balance Sheet		243,305	(427,744)
		<b>243,305</b>	<b>(427,744)</b>
Basic and diluted earnings per share	10	63.91	190.71
Notes on accounts	10		

Notes : Schedule 7 to 10 referred to herein form an integral part of the Profit and Loss Account.

As per our Report of even date :  
**For A. J. SHAH & CO.**  
 Chartered Accountants

**For SPAN BIOTRONICS PVT LTD.**

**HIREN SHAH**

Partner

Membership No. 100052

Mumbai, Dated : 10th May 2010

**Sanjay Mehta**  
 Director

**Sujata Desai**  
 Director

10th May 2010

**SPAN BIOTRONICS PRIVATE LIMITED**  
**SCHEDULES FORMING PART OF ACCOUNTS**

**SCHEDULE:1 - SHARE CAPITAL**

<b>Authorised Capital</b>	<b>31-03-2010 Rs.</b>	<b>31-03-2009 Rs.</b>
12,500 Equity shares of Rs.100/- each	1,250,000	1,250,000
12,500 Preference shares of Rs.100/- each	1,250,000	1,250,000
	2,500,000	2,500,000
<b>Issued, Subscribed and Paid-up</b>		
10,500 Equity shares of Rs.100/- each fully paid-up (Previous year 10,500 Equity shares of Rs. 100 fully paid up)	1,050,000	1,050,000
5,000 Preference shares of Rs.100/- each fully paid-up (Out of the above, Equity shares 10,000 Equity shares of Rs.100/- each and 5,000 Preference shares of Rs.100 each are held by Span Diagnostics Ltd. Holding Company and its nominees.)	500,000	500,000
	1,550,000	1,550,000

**SCHEDULE:2 - RESERVES & SURPLUS**

Surplus in Profit & Loss Account	243,305	--
	243,305	--

**SCHEDULE:3 - FIXED ASSETS**

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2009 Rs	Additions during the year Rs	As at 31.03.2010 Rs	As at 01.04.2009 Rs.	For the period Rs.	As at 31.3.2010 Rs.	As at 31.3.2010 Rs.	As at 31.3.2009 Rs
Office Equipment	69,139	1,675	70,814	27,951	7,404	35,355	35,459	41,188
Furniture and Fixtures	51,855	-	51,855	8,938	7,768	16,706	35,149	42,917
EPBX System	16,848	-	16,848	3,633	1,838	5,471	11,377	13,215
Computers	160,080	82,000	242,080	83,268	49,668	132,936	109,144	76,812
Air Conditioners	43,500	-	43,500	9,837	4,683	14,520	28,980	33,663
Capital WIP - Intangibles	-	108,698	108,698	-	-	-	108,698	-
	<b>341,422</b>	<b>192,373</b>	<b>533,795</b>	<b>133,627</b>	<b>71,361</b>	<b>204,988</b>	<b>328,807</b>	<b>207,795</b>
Previous Year	<b>313,440</b>	<b>27,982</b>	<b>341,422</b>	<b>61,235</b>	<b>72,392</b>	<b>133,627</b>	<b>207,795</b>	<b>252,205</b>

**SPAN BIOTRONICS PRIVATE LIMITED**

**SCHEDULE:4 - CURRENT ASSETS, LOANS & ADVANCES**

	<b>31-03-2010</b>	<b>31-03-2009</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>CURRENT ASSETS</b>		
Sundry Debtors (Unsecured, considered good)		
Outstanding for a period exceeding more than six months	--	-
Others (Due from Holding Company)	452,671	393,636
(Maximum outstanding during the year Rs.8,20,953/-, Previous year Rs.23,67,110/-)		
<b>Cash and Bank Balances</b>		
Cash in hand	2,139	3,382
Balance with a Scheduled bank	416,709	12,580
<b>LOANS AND ADVANCES</b>		
Advance recoverable in cash or kind for value to be received	151,881	199,720
Advance Income Tax	1,772,552	982,907
FBT Advance Tax	47,116	39,585
	<u>2,843,068</u>	<u>1,631,810</u>

**SCHEDULE:5 - CURRENT LIABILITIES & PROVISIONS**

Current Liabilities

Sundry Creditors for Expenses	32,263	254,306
Other Liabilities (Refer Note No.3)	643,451	75,836
	<u>657,714</u>	<u>330,142</u>
<u>Provisions</u>		
For Income Tax	355,000	230,000
For Fringe Benefit Tax	41,402	41,402
For Leave Salary	255,935	127,280
For Gratuity	223,124	91,673
	<u>875,461</u>	<u>490,355</u>
	<u>1,551,175</u>	<u>820,497</u>

**SCHEDULE:6 - MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

Preliminary Expenditure	26,071	39,107
	<u>26,071</u>	<u>39,107</u>



**SPAN BIOTRONICS PRIVATE LIMITED**

<b><u>SCHEDULE:7 - EMPLOYEES' REMUNERATION</u></b>	<b>31-03-2010</b> Rs.	<b>31-03-2009</b> Rs.
Salaries and Allowances	4,538,446	2,919,378
Medical Expenses	69,056	30,152
Staff Welfare Expenses	124,940	86,162
Leave salary	128,655	47,947
Gratuity (Rs. 95,240/- for earlier years)	131,451	57,058
	<hr/>	<hr/>
	<b>4,992,548</b>	<b>3,140,697</b>
	<hr/> <hr/>	<hr/> <hr/>

**SCHEDULE:8 - ADMINISTRATIVE EXPENSES**

Electricity Expenses	236,767	143,622
Professional Fees	219,117	280,000
Auditors Remuneration (Refer Note No. 5 of Schedule 10)	35,500	35,000
Telephone and Mobile Charges	125,693	113,493
Printing & Stationery	46,409	31,638
Motor Car Expense	119,390	161,789
Membership and Subscription	6,000	9,000
Conveyance Expenses	8,242	1,466
Travelling Expenses	6,000	3,809
Rent for Office Premises	356,400	291,600
Repairs and Maintenance	14,567	7,525
Office renovation Expenses	10,900	100,723
VAT Paid	0	5,905
Other Expenses	94,513	67,256
Sundry Balance written off	28396	0
	<hr/>	<hr/>
	<b>1,307,893</b>	<b>1,252,826</b>
	<hr/> <hr/>	<hr/> <hr/>

**SCHEDULE:9 - INTEREST AND FINANCE CHARGES**

Bank Charges	1,544	16,772
Interest on Loan	62	115,850
	<hr/>	<hr/>
	<b>1,606</b>	<b>132,622</b>
	<hr/> <hr/>	<hr/> <hr/>

**SCHEDULE:10 - NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

**1. Significant Accounting Policies**

a) Basis of Accounting

Financial Statements are prepared under historical cost convention on accrual basis of accounting and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies Act, 1956.

**SPAN BIOTRONICS PRIVATE LIMITED**

- b) **Amortisation of Expenses**  
Preliminary expenses will be amortised over a period of 5 years in accordance with Section 35 D of the Income Tax Act, 1961 .
- c) **Use of Estimates**  
The presentation of Financial Statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.
- d) **Revenue Recognition**  
i. Research and Development Consultancy fees are accounted on accrual basis.  
ii. Insurance claim is accounted on cash basis.
- e) **Expenses**  
All expenses are provided for on accrual basis.
- f) **Fixed assets**  
Fixed assets are stated at cost of acquisition/installation less accumulated depreciation.
- g) **Depreciation**  
Depreciation on fixed assets is provided on written down value at the rates and in the manner prescribed in Schedule XIV to the Companies Act 1956.
- h) **Employees Retirement Benefits**  
**Defined Benefit Plans**  
Gratuity liability is calculated on the basis of projected unit method. The Company provides for Gratuity liability on the basis of actuarial valuation provided by Actuaries. Actuarial gain or loss has been charged to Profit and Loss Account.  
**Leave Encashement Benefit**  
Leave Encashement Benefits are accounted for on estimated basis as per the rules of the company.
- l) **Lease**  
Lease rentals are expensed with reference to lease terms.
- j) **Taxes on Income**  
Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from 'timing difference' between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.
- k) **Provisions, Contingent Liabilities and Contingent Assets:**  
Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements
- l) **Intangible Assets**  
The Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

- |    |  |     |     |
|----|--|-----|-----|
| 2. | Contingent Liability not provided for  | Nil | Nil |
| 3. | No amount is due to Micro and Small Scale Undertakings in excess of Rs. 1,00,000/- each, due for more than 30 days.  |     |     |
| 4. | In the opinion of the board Directors, the Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business. |     |     |

**SPAN BIOTRONICS PRIVATE LIMITED**

5. Auditors remuneration excluding service tax	<b>31-03-2010</b>	<b>31-03-2009</b>
	<u>Rs.</u>	<u>Rs.</u>
Audit Fees	20,000	20,000
Limited Review	5,000	0
Tax Audit Fees	7,500	15,000*
Certification	3,000	0
	<u>35,500</u>	<u>35,000</u>

\* for financial year 2007-08 and 2008-09

6. Disclosure as required by Accounting Standard 19 (AS-19) "Leases" issued by the Institute of Chartered Accountants of India are given below. The Company has taken commercial premises under short term lease arrangements and are renewable on mutually agreeable terms.

Rent paid under this arrangement	356,400	291,600
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7. Related Party Transaction

(A) Relationships

- (a) Where control exists :

Holding Company -  
Span Diagnostics Ltd

- (b) Key Management Personnel :

P K Desai - Director  
Sanjay Mehta - Director  
Sujata Desai - Director  
Veeral Desai - Director  
Dr B Prasad - Chief Executive Officer

- (c) Relatives of key management personnel and their enterprises, where transaction have taken place.

Akkad Mehta & Co

- (d) Other Related Parties :

Nil

Note :- Related party relationship on the basis of the requirements of Accounting Standard 18 (AS-18) as in 1 (a) to (d) above is identified and certified by the Management and relied upon by the Auditors.

(B) Transactions with Related Parties

Particulars	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above
Income :				
Consultance Fees	7,100,000	-	-	-
Expenses :				
Remuneration	-	1,450,225**	-	-
Professional Fees	-	-	1,20,000	-
Outstanding :				
Receivable	452,671	-	-	-

\*\* Remuneration to Dr. Bhagwati Prasad, CEO

**SPAN BIOTRONICS PRIVATE LIMITED**

	31-03-2010 Rs.	31-03-2009 Rs.
8. Earnings per share		
a) Net Profit after Tax (including prior period items) available for Equity shareholders	671,049	1,951,528
b) Weighted average number of Equity Shares of Rs.100 each outstanding during the year. (No.'s of shares)	10,500	10,233
c) Basic/ Diluted earnings per share (a/b) (Rs.)	63.91	190.71

## 9. Deferred Tax

The break up of deferred tax Liability as on 31st March 2010 is as under :

(In Rs.)

Deferred Tax Working	31-03-2009	Adjustment During the year	31-03-2010
<b>Deferred Tax Liabilities ( A )</b>			
( i ) Difference between Book & Tax Depreciation	10,381	5,917	16,298
Total ( A )	10,381	5,917	16,298
<b>Deferred Tax Assets ( B )</b>			
( i ) Leave Encashment	31,160	55,832	86,992
( ii ) Gratuity	43,262	32,578	75,840
Total ( B )	74,422	88,410	162,832
Net Deferred Tax Asset/(Liability)	64,041	82,493	146,534

## 10 Development Expenditure

The Company is in the process of commercialization of its products under development and hence the development expenditure incurred on Development in respect of projects 'HB' and 'DD' has been reflected in the accounts as capital expenditure forming part of the Fixed Assets Schedule as Capital Work in Progress. Details of the Development expenses incurred during the year is as follows:

Particulars	Capital WIP-HB	Capital WIP-DD
Consumables	50,328	13,255
Patent Licence Fees	21,000	9,115
Testing Charges	15,000	-
	<u>86,328</u>	<u>22,370</u>

## 11. Disclosures In Accordance with Revised AS-15 On "Employees Benefits"

## a. Defined Benefit Plan :

As per Company policy, an employee on separation (after fulfilling other conditions) is eligible for benefit, which is equal to 15 days salary for each completed year of service. Hence, Gratuity is covered under a defined benefit plan.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation

### SPAN BIOTRONICS PRIVATE LIMITED

I	Reconciliation of opening and closing balances of Defined Benefit obligation:		Gratuity (unfunded) 2009-10(Rs.)
	Defined Benefit obligation at beginning of the year.		1,86,913
	Current Service Cost		1,05,077
	Instrest Cost		23,359
	Benefits Paid		0
	Actuarial (Gain) / Loss on obligation		(92,225)
	Defined Benefit obligation at year end		2,23,124
II	Reconciliation of opening and closing balances of fair value of plan assets:		Gratuity (unfunded) 2009-10(Rs.)
	Fair Vlaue of Plan assets at begining of the year.		0
	Return on Plan assets		0
	Contribution		0
	Benefits Paid		0
	Actuarial Gain / Loss on Plan Assates		(92,225)
	Fair Value of Plan assets at end of year		0
III	Reconciliation of Fair Value of Assets and Obligation:		Gratuity (unfunded) 2009-10(Rs.)
	Fair Value of Plan assets as at end of year		0
	Present Value of obligation as at end of year		223,124
	Amount Recognised in Balance sheet (Excess of obligation over plan assets)		(223,124)
IV	Expenses recognised during the year:		Gratuity (unfunded) 2009-10(Rs.)
	Current Service Cost		1,05,077
	Interest Cost		23,359
	Add Return on plan assets		0
	Actuarial Bain / (Loss)		(92,225)
	Net Cost		36,211
V	Investment Details :		
	<b>Category of Assets</b>	<b>Amt in Rs.</b>	<b>(%) of Plan</b>
	Insurance Managed Fund	0	0
VI	Actuarial Assumptions:		Gratuity (unfunded) 2009-10(Rs.)
	Mortality Table (LIC)		1994-96 Ultimate
	Discount Rate (per annum)		8.00%
	Expected rate of return on plan assets (per annum)		0
	Rate of escalation in salary (per annum)		7.00%
	Attretion Rate		2.00%

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by an independent actuary.

- b. Company was following policy of measuring gratuity liability on estimated basis as per the rules. From the current year company has changed its practice to measure gratuity liability on the basis of projected unit method as per the actuarial valuatun report. As a result of this, the profit of the company is increased by Rs.20,367/-

**SPAN BIOTRONICS PRIVATE LIMITED**

c. Compensated Absences  
Liability of accumulated unencashed leave balances are accounted on the basis of current salary as per Rules of the Company.

12. Provision for current tax of Rs. 1,25,000/- is after adjusting MAT credit of Rs. 1,66,571/-

13. Additional Information pursuant to the provisions of the paragraph 3 and 4 of the Part II of Schedule VI to the Companies Act, 1956. (As certified by a Director and relied upon by Auditors)

a) Quantitative information	Not Applicable
b) Value of Imports calculated on CIF basis	Nil
c) Expenditure on foreign currency	Nil
d) Earnings in foreign exchange	Nil

14. Cash Flow Statement for the period ended 31st March, 2010 is disclosed in the statement annexed to these Accounts as Annexure 1.

Signatures to Schedule 1 to 10

As per our Report of even date :

**For A. J. SHAH & CO.**

Chartered Accountants

**HIREN SHAH**

Partner

Membership No. 100052

Mumbai, Dated : 10th May 2010

**For SPAN BIOTRONICS PVT LTD.**

**Sanjay Mehta**  
Director

**Sujata Desai**  
Director

10th May 2010

**SPAN BIOTRONICS PRIVATE LIMITED**

**Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.**

**Balance Sheet Abstract and General Business Profile**

I	<u>Registration Details</u>	
	Registration No. :	U33125MH2006PTC165417
	Balance Sheet Date :	<b>31-03-2010</b>
	State Code :	11
II.	<u>Capital Raised during the Year [Amount in Rs.]</u>	
	Public Issue	Nil
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
III.	<u>Position of Mobilisation and Deployment of Funds</u>	
	[amount in Rs.]	
	Total Liabilities	1,793,305
	Total Assets	1,793,305
	<u>Sources of Funds</u>	
	Paid-up Capital	1,550,000
	Reserves and Surplus	243,305
	Secured Loan	-
	Unsecured Loan	-
	Deferred Tax Liability	-
	<u>Application of Funds</u>	
	Net Fixed Assets	328,807
	Deferred Tax Assets	146,534
	Investments	-
	Net Current Assets	1,291,893
	Miscellaneous Expenditure	26,071
	Accumulated Losses	-
IV.	<u>Performance of the Company [Amount in Rs.]</u>	
	Turnover including other income	7,100,000
	Total Expenditure	6,386,444
	Profit Before Tax	713,556
	Profit After Tax	671,049
	Earning per share in Rs.	63.91
	Dividend Rate %	-
V	<u>Generic Names of Principal Products of the Company</u>	
	Item Code No. (ITC Code)	
	Product Description	Research and Development Services

As per our Report of even date :

**For A. J. SHAH & CO.**

Chartered Accountants

**HIREN SHAH**

Partner

Membership No. 100052

Mumbai, Dated : 10th May 2010

**For SPAN BIOTRONICS PVT LTD.**

**Sanjay Mehta**  
Director

**Sujata Desai**  
Director

10th May 2010

**SPAN BIOTRONICS PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2010**

A. Cash Flow from Operating activities	31-03-2010 Rs.	31-03-2009 Rs.
Net Profit before tax and extraordinary items	713,556	2,132,428
Adjustments for:		
Depreciation	71,361	72,392
Interest and Finance expenses	1,606	132,622
Preliminary expenses written off	13,036	13,035
<b>Operating Profit before Working Capital changes</b>	<b>799,559</b>	<b>2,350,477</b>
Adjustments for change in :-		
Trade & other Receivables	(11,195)	1,205,188
Trade Payables	345,572	(3,063)
<b>Cash generated from operations</b>	<b>1,133,935</b>	<b>3,552,600</b>
Taxes paid (Net)	537,070	801,305
Cash flow before extraordinary items	596,864	2,751,295
Extraordinary items	--	--
<b>Net Cash from Operating Activities</b>	<b>A 596,864</b>	<b>2,751,295</b>
<b>B. Cash Flow from Investing activities</b>		
Purchase of fixed assets	(192,373)	(27,982)
Preliminary Expenses	--	--
<b>Net Cash used in Investing Activities</b>	<b>B (192,372)</b>	<b>(27,982)</b>
<b>C. Cash Flow from Financing activities</b>		
Proceeds from borrowings	-	(2,600,000)
Shares Capital	-	50,000
Interest and Finance expenses	(1,606)	(132,622)
<b>Net Cash used in Financing Activities</b>	<b>C (1,606)</b>	<b>(2,682,622)</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>A + B + C 402,886</b>	<b>40,692</b>
<b>Cash and Cash equivalents - Opening Balance</b>	15,962	(24,729)
<b>Cash and Cash equivalents - Closing Balance</b>	418,848	15,962

Notes to the Cash Flow Statement for the period ended 31st March, 2010

- The cash flow statement has been prepared in accordance with the requirements of Accounting Standard - 3 "Cash Flow Statement"
- The previous year's figures have been regrouped/ restated wherever necessary to conform to this year's classification.

As per our Report of even date :

**For A. J. SHAH & CO.**

Chartered Accountants

**HIREN SHAH**

Partner

Membership No. 100052

Mumbai, Dated : 10th May 2010

**For SPAN BIOTRONICS PVT LTD.**

**Sanjay Mehta**  
Director

**Sujata Desai**  
Director

10th May 2010



## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,  
The Board of Directors,  
Span Diagnostics Ltd.

1. We have examined the attached consolidated Balance Sheet of **SPAN DIAGNOSTICS LIMITED and its Subsidiary ("the Group")** as at **31<sup>st</sup> March 2010**, and also the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statement of:
  - i) One subsidiary company whose financial statement reflects total assets (net) of Rs. 16.21 lacs and total revenues of Rs. 71.00 lacs as at March 31, 2010.

These financial statement of the subsidiary was audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiary is based solely on the reports of the other auditors.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21 'Consolidated Financial Statements' notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of the individual financial statement of Span Diagnostics Limited and its subsidiary included in the consolidated financial statements.

4. On the basis of the information and the explanation given to us and on the consideration of the separate audit reports, on individual audited financial statements of the company and its subsidiary, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India;
  - (i) In case of Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010,
  - (ii) In case of Consolidated Profit and Loss Account, of the Consolidated result of the Group for the year ended on that date; and
  - (iii) In case of Consolidated Cash-flow statement, of the consolidated cash-flow of the Group of the year ended on that date.

**For M/s. Y. B. Desai & Associates,  
Chartered Accountants  
Firm ICAI Registration No. 102368W**

**Y. B. Desai  
Partner  
Membership No. 8767**

Surat, June 05, 2010

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2010**

SOURCES OF FUNDS	Schedule	31-03-2010 Rs.	31-03-2009 Rs.
<b>Shareholders' Funds</b>			
Share Capital	1	34,727,500	33,075,000
Reserves & Surplus	2	192,989,175	143,659,880
Share Application Money		<u>1,651,261</u>	<u>0</u>
		<u>229,367,936</u>	<u>176,734,880</u>
<b>Minority Interest</b>		61,582	29,640
<b>Loan funds</b>			
Secured Loans	3	181,772,026	254,418,458
Unsecured Loans	4	<u>45,387,459</u>	<u>47,864,887</u>
		227,159,485	302,283,345
<b>Deferred Tax Liability (Net)</b>		14,175,466	14,997,959
TOTAL		<u>470,764,469</u>	<u>494,045,825</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	327,181,781	306,450,703
Less : Depreciation / Adjustments		<u>133,403,542</u>	<u>116,499,699</u>
Net Block		193,778,239	189,951,004
Capital Work-in-Progress		<u>36,484,011</u>	<u>11,704,272</u>
		<u>230,262,250</u>	<u>201,655,276</u>
<b>Investments</b>	6	5,402,000	7,877,461
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	188,382,248	168,875,790
Sundry Debtors	8	180,315,017	200,732,048
Cash and Bank Balance	9	27,093,398	25,143,106
Loans and Advances	10	<u>42,549,522</u>	<u>37,457,356</u>
		438,340,185	432,208,300
Less: Current Liabilities & Provisions	11	<u>203,266,037</u>	<u>147,734,319</u>
Net Current Assets		235,074,148	284,473,981
<b>Miscellaneous Expenditure</b>	12	26,071	39,107
TOTAL		<u>470,764,469</u>	<u>494,045,825</u>
Notes on Accounts	19		

The annexed schedules and notes referred to above form an integral part of the Accounts

As per our Report of even date attached hereto :

**For Y.B. DESAI & ASSOCIATES**  
Chartered Accountants  
**Firm ICAI Registration No.102368W**

**Y.B.DESAI**

Partner

M.No. 8767

Place : Surat

Date : 5th June, 2010

**Smt. Lata P. Desai**

*Chairperson*

**V. P. Desai**

*Managing Director*

Place : Surat

Date : 5th June, 2010

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDER 31st MARCH 2010**

	Schedule	31-03-2010 Rs.	31-03-2009 Rs.
<b>INCOME</b>			
Sales	13	789,778,285	680,064,626
Less : Excise Duty Paid		10,961,973	16,314,308
		<u>778,816,312</u>	<u>663,750,318</u>
Other Income	14	28,949,450	15,433,420
Increase/(Decrease) in stock	15	(7,607,617)	(2,899,875)
		<u>800,158,145</u>	<u>676,283,863</u>
<b>EXPENDITURE</b>			
Materials consumed & purchase of goods	16	347,579,807	307,902,467
Manufacturing and other expenses	17	322,997,772	287,877,153
Interest & Finance Charges	18	31,129,952	36,850,943
Depreciation	-	20,931,456	18,279,799
		<u>722,638,987</u>	<u>650,910,362</u>
<b>PROFIT BEFORE TAX</b>		77,519,158	25,373,501
Provision for Tax-Current		25,125,000	4,580,000
-Deferred Tax		(822,493)	5,311,520
-Fringe Benefit Tax		0	1,312,380
<b>PROFIT AFTER TAX</b>		<u>53,216,651</u>	<u>14,169,601</u>
<b>Less : Minority Interest</b>		<u>31,942</u>	<u>92,893</u>
		53,184,709	14,076,708
Tax adjustment of earlier year		1,424,657	(2,934,599)
Prior Period Adjustments		(75,254)	1,446,098
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<u>54,534,112</u>	<u>12,588,207</u>
<b>APPROPRIATIONS</b>			
Proposed Dividend		8,681,875	0
Dividend Distribution Tax		1,475,485	0
Transfer to General Reserve		5,500,000	3,500,000
Balance carried to Balance Sheet		<u>38,876,752</u>	<u>9,088,207</u>
Earning per share Basic (Rs.)		16.08	3.99
Earning per share Diluted (Rs.)		15.92	3.99
Face Value per share Rs.10			
Refer Note E of Schedule 19.			
Notes on Accounts	19		

The annexed schedules and notes referred to above form an integral part of the Accounts

As per our Report of even date attached hereto :

**For Y.B. DESAI & ASSOCIATES**  
Chartered Accountants  
**Firm ICAI Registration No.102368W**

**Y.B.DESAI**

Partner

M.No. 8767

Place : Surat

Date : 5th June, 2010

**Smt. Lata P. Desai**

*Chairperson*

**V. P. Desai**

*Managing Director*

Place : Surat

Date : 5th June, 2010

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET**

	<u>31-03-2010</u> Rs.	<u>31-03-2009</u> Rs.
<b>Schedule 1 : SHARE CAPITAL</b>		
Authorised 5,000,000 (Previous year 5,000,000) Equity Shares of Rs. 10/- each.	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed and paid-up 3,472,750 (Previous year 3,307,500) Equity Shares of Rs.10/- each fully paid up (refer notes on accounts) Of the above 1,387,500 Equity shares of Rs.10/- each have been allotted as fully paid-up bonus shares by capitalising Rs.38,75,000 out of General reserve & Rs.10,000,000 out of Revaluation Reserve and 206,250 Equity shares issued pursuant to scheme of Amalgamation with Span Biological Pvt. Ltd. and Span Biotech Pvt.Ltd.	34,727,500	33,075,000
	<u>34,727,500</u>	<u>33,075,000</u>
<b>Schedule 2 : RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Amalgamation Surplus	4,205,775	2,887,500
Add: On forfeiture of Convertible share warrants	<u>0</u>	<u>1,318,275</u>
A	4,205,775	4,205,775
<b>Share Premium:</b>		
Balance as per last Balance Sheet	36,299,712	29,905,212
Add : Premium of share allotment	<u>4,952,543</u>	<u>6,394,500</u>
B	41,252,255	36,299,712
<b>General Reserve:</b>		
Balance as per last Balance Sheet	62,449,200	58,949,200
Add: Transfer from Profit & Loss Account	<u>5,500,000</u>	<u>3,500,000</u>
C	67,949,200	62,449,200
<b>Profit &amp; Loss Account :</b>		
Balance as per last Balance Sheet	40,705,193	31,503,733
Add : Minority Interest upto 31/03/08	0	113,253
Add : Transfer from Profit & Loss Account	<u>38,876,752</u>	<u>9,088,207</u>
D	79,581,945	40,705,193
(A+B+C+D)	<u>192,989,175</u>	<u>143,659,880</u>

	<u>31-03-2010</u> Rs.	<u>31-03-2009</u> Rs.
<b>Schedule 3 : SECURED LOANS</b>		
<b>Term Loans</b>		
a) Kotak Mahindra Home Finance Loan (due within one year Rs.613,012, Previous year Rs.531,966) (Secured by Equitable Mortgage of Office Premises at , Mumbai)	1,596,697,	2,131,990
b) Kotak Mahindra Bank Ltd. WC Term Loan (due within one year Rs.11587,886, Previous year Rs.10,130,327)	14,321,193	24,486,604
c) Term loan Kotak Mahindra Bank Ltd. - Sachin Expansion (due within one year Rs.2,636,357 Previous year Rs.2,295,172)	4,858,310	7,164,648
d) Term loan Kotak Mahindra Bank Ltd. - Udhna Expansion (due within one year Rs.2,079,011 Previous year Rs.1,812,618)	2,872,422	4,691,665
e) Term loan Kotak Mahindra Bank Ltd. - SARL (due within one year Rs.4,325,120 Previous year Rs.3,760,668)	6,831,800	10,616,132
f) Kotak Mahindra Bank Ltd. W.C Demand Loan-NEW (due within one year Rs.Nil, Previous year Rs.10,00,000)	0	10,000,000
g) Kotak Mahindra Bank Ltd. Term Loan-New D G Set (due within one year Rs.457,424, Previous year Rs.787,497) (Secured by hypothecation of Current and Moveable Assets including Plant & Machinery, and collaterally secured by the personal guarantees of promoter Directors, equitable mortgage of immovable properties at Plot No.173B at Udhna and Plot No.336 ,338,340 at Sachin., Surat. and office premises at Kolkata and Office premises at Mumbai)	457,424	1,244,921
h) Term loan - Biotech Consorium India Ltd. - SBIRI (due within one year Rs.Nil, Previous year Rs.Nil) Interest Accrued but not due in SBIRI loan	8,250,000	5,150,000
	<u>135,807</u>	<u>55,027</u>
	39,323,653	65,540,987
<b>From Banks</b>		
a) Kotak Mahindra Bank Ltd. - Cash Credit/Export packing credit	140,930,869	179,713,492
b) Buyers Credit from Kotak Mahindra Bank Ltd. (due within one year Rs.Nil Previous year Rs.7,690,023) (Secured by hypothecation of Current and Moveable Assets including Plant & Machinery, and collaterally secured by the personal guarantees of promoter Directors, equitable mortgage of immovable properties at Plot No.173B at Udhna and Plot No.336 ,338,340 at Sachin., Surat. and office premises at Kolkata and Office premises at Mumbai)	0	7,690,023
c) Car loan from HDFC Bank	0	68,603
d) Bus Loan from Kotak Mahindra Bank Ltd.	0	1,140,770
e) Car Loan from ICICI Bank	81,838	264,583
f) Car Loan from Axis Bank	766,614	0
g) Car Loan from Kotak Mahindra Bank Ltd. (Guaranteed by Directors and Company as a co-obligant) (due within one year Rs.728,716 Previous year Rs.1,392,118)	669,052	0
	<u>181,772,026</u>	<u>254,418,458</u>
<b>Schedule 4 : UNSECURED LOANS</b>		
Fixed Deposits (including Fixed Deposits from Directors Rs. 1,735,000. Previous year Rs.4,150,000) (due within one year Rs.9,424,000, Previous year Rs.13,735,000)		
	28,588,000	32,215,000
Interest accrued on Fixed Deposits	951,834	922,286
Deposits from Stockiest	15,847,625	14,727,601
	<u>45,387,459</u>	<u>47,864,887</u>

**Schedule 5: FIXED ASSETS**

Sr. No.	Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1.4.2009 Rs	Additions/ Adjustment Rs	Deduction/ Adjustment Rs.	As at 31.03-2010 Rs	Balance as at 1.4.2009 Rs.	Depreciation/ Adjustment Rs.	Deductions/ Adjustment Rs.	Balance as at 31.3.2010 Rs.	As at 31.3.2010 Rs	As at 31.3.2009 Rs
<b>Tangible Fixed Assets</b>											
1	Land	12,337,200	0	0	12,337,200	0	0	0	0	12,337,200	12,337,200
2	Buildings & Roads	107,930,541	609,755	0	108,540,296	30,164,865	4,328,828	0	34,493,693	74,046,603	77,765,676
3	Plant & Machineries	66,435,001	11,924,761	2,498,232	75,861,530	34,416,074	4,962,409	2,317,505	37,060,978	38,800,552	32,018,927
4	Electrical Installations	10,705,006	49,253	0	10,754,259	6,649,575	569,244	0	7,218,819	3,535,440	4,055,431
5	Cold Rooms/Storages	6,934,671	1,070,145	0	8,004,816	3,127,358	588,782	0	3,716,140	4,288,676	3,807,313
6	Loose Tools, Moulds, Utilities and other Equipments	15,242,810	701,596	9,407	15,934,999	9,510,446	971,283	8,937	10,472,792	5,462,207	5,732,364
7	Laboratory Equipments	15,450,316	677,755	480,633	15,647,438	7,018,555	1,328,518	392,069	7,955,004	7,692,434	8,431,761
8	R & D Equipments	5,632,578	2,628,142	0	8,260,720	1,405,687	754,836	0	2,160,523	6,100,197	4,226,891
9	Furniture & Fixtures	14,827,397	39,131	0	14,866,528	7,563,623	1,318,585	0	8,882,208	5,984,320	7,220,857
10	Computers	8,964,177	578,716	71,500	9,471,393	7,505,146	734,064	71,496	8,167,714	1,303,679	1,382,219
11	Office Equipments	3,662,514	152,624	60,891	3,754,247	2,360,353	196,497	56,391	2,500,459	1,253,788	1,214,095
12	Vehicles	6,821,341	2,082,224	1,475,035	7,428,530	3,405,061	1,178,964	1,181,215	3,402,810	4,025,720	3,416,280
<b>Intangible Assets</b>											
1	Goodwill	322,120	0	0	322,120	322,120	0	0	322,120	0	0
2	Technical Know how	26,463,028	4,084,674	0	30,547,702	1,951,615	2,949,735	0	4,901,350	25,646,352	24,511,413
3	SAP Software	4,722,003	728,000	0	5,450,003	1,099,221	1,049,711	0	2,148,932	3,301,071	3,622,782
		<b>306,450,703</b>	<b>25,326,776</b>	<b>4,595,698</b>	<b>327,181,781</b>	<b>116,499,699</b>	<b>20,931,456</b>	<b>4,027,613</b>	<b>133,403,542</b>	<b>193,778,239</b>	<b>189,743,209</b>
Previous Year		244,827,855	62,073,958	792,532	306,109,281	98,585,838	18,207,407	427,173	116,366,072	189,743,209	

Capital Work-in-Progress including advances on capital account. Rs. 6.93 Lac (Previous Year Rs. Nil)

36,484,011 11,704,272

NOTE : 1) Gross Block includes Rs.12,506,178 on Revaluation of Fixed Assets as on 31-3-1994 comprising of Land Rs.87,78,812 and Buildings Rs.3,727,366.

2) Land Cost includes Rs.950/- being the cost of 19 shares fully paid up of Rs.50/- each of Udhna Udyog Nagar Sahakari Sangh Ltd., Udhna and cost of land allotted by G.I.D.C. on lease.

**Schedule 6 : INVESTMENTS**
**Non Trade & Long term**
**Unquoted**
**Others**

## Investment in Joint Ventures

Span Diagnostics SARL (See notes on Accounts)

0

1,718,640

(Previous Year 300 Shares of 100 Euro each fully paid up)

Span Diagnostics FZC (See notes on Accounts)

0

756,821

(Previous Year 600 Share of 100 DHS each fully paid up)

Span Nihon kohden Diagnostics Pvt.Ltd.

5,400,000

5,400,000

(54,000 Share (Previous Year 54,000 Shares) of

Rs.100 each fully paid up)

Sachin Infra Management Ltd.

2,000

2,000

(200 Shares (Previous Year - 200 shares) of

Rs.10 each fully paid up)

5,402,000

7,877,461

**Schedule 7 : INVENTORIES**

(As per inventory taken, valued and certified by the Management)

Raw Materials

51,092,094

40,277,101

Primary Packing Materials

41,852,133

25,202,502

Consumable Stores

6,932,421

6,423,502

Work-in-Process

12,818,574

11,426,208

Sami-Finished

18,093,941

12,869,518

Finished Goods

20,325,276

28,809,985

Traded Goods

37,267,809

43,866,973

188,382,248

168,875,790

	<u>31-03-2010</u>	<u>31-03-2009</u>
	Rs.	Rs.
<b>Schedule 8 : SUNDRY DEBTORS</b>		
(Un secured )		
Debts outstanding for a period exceeding six months		
Considered Good	18,545,291	18,795,940
Considered Doubtful	1,466,175	1,922,487
	<u>20,011,466</u>	<u>20,718,427</u>
Others - Considered Good	161,769,726	181,936,108
	<u>181,781,192</u>	<u>202,654,535</u>
Less : Provision for Bad and Doubtful Debts	1,466,175	1,922,487
	<u>180,315,017</u>	<u>200,732,048</u>
<b>Schedule 9 : CASH AND BANK BALANCE</b>		
Cash on Hand	45,607	57,952
Bank Balances with Scheduled Banks :		
In Current Accounts	15,255,054	12,185,598
In Fixed Deposit Accounts [Includes Rs9,090,602/- (previous year Rs.10,616,025/-) under Bank's lien]	11,792,737	12,899,556
	<u>27,093,398</u>	<u>25,143,106</u>
<b>Schedule 10: LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
	35,356,477	27,779,869
Balance with Excise Department	669,096	2,910,331
Other Deposits	6,523,949	6,767,156
	<u>42,549,522</u>	<u>37,457,356</u>
<b>Schedule 11: CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities :</b>		
Sundry Creditors	146,946,031	111,731,086
Other Liabilities	46,030,012	39,716,148
Unclaimed Dividend #	582,606	767,357
	<u>193,558,649</u>	<u>152,214,591</u>
<b>Provision :</b>		
Proposed Dividend	8,681,875	0
Dividend Distribution Tax	1,475,485	0
Provision for Tax (Net of Advance Tax & TDS)	(430,200)	(4,548,449)
Provision for Fringe benefit Tax (Net of Advance Tax)	(19,772)	68,177
	<u>203,266,037</u>	<u>147,734,319</u>
# There are no amounts due and outstanding to be credited to the investor Education and Protection Fund.		
<b>Schedule 12 : MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Deferred Revenue Expenditure	26,071	39,107
	<u>26,071</u>	<u>39,107</u>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

	<u>31-03-2010</u>	<u>31-03-2009</u>
	<u>Rs.</u>	<u>Rs.</u>
<b>Schedule 13 : SALES</b>		
Gross Sales (Net of return)	790,102,982,	680,811,592
Less : Discount & Rate Difference	324,697,	746,966
	<u>789,778,285</u>	<u>680,064,626</u>
<b>Schedule 14 : OTHER INCOME</b>		
Miscellaneous Income	1,596,095	1,554,552
Interest Received (Gross) (TDS Rs.129,119/- Previous Year Rs.253,099)	1,385,949	1,331,720
Insurance claim	308,107	528,395
Profit on Sale of Assets	47,730	0
Service Charges	11,173,143	9,012,201
Profit on Forward Contract (Net)	213,665	84,323
Profit on DEP B License	458,677	359,234
Leave and License Fees Income	2,190,000	1,277,500
Exchange Rate Difference	6,151,205	0
Export Incentive	2,141,435	0
Sundry Credit Balance written back	3,283,444	1,285,495
	<u>28,949,450</u>	<u>15,433,420</u>
<b>Schedule 15 : INCREASE/(DECREASE) IN STOCK</b>		
<b>Opening Stock</b>		
Work-in-process	11,426,208	10,660,001
Semi-Finished	12,869,518	8,849,575
Finished Goods	28,809,985	32,445,534
Traded Goods	43,866,973	46,867,054
	<u>96,972,684</u>	<u>98,822,164</u>
Less : Excise Duty	3,603,372	2,552,977
	<u>93,369,312</u>	<u>92,269,187</u>
<b>Less : Closing Stock</b>		
Work-in-process	12,818,574	11,426,208
Sami-Finished	18,093,941	12,869,518
Finished Goods	20,325,276	28,809,985
Traded Goods	37,267,809	43,866,973
	<u>88,505,600</u>	<u>96,972,684</u>
Less : Excise Duty	2,743,905	3,603,372
	<u>85,761,695</u>	<u>93,369,312</u>
	<u>(7,607,617)</u>	<u>(2,899,875)</u>
<b>Schedule 16: MATERIALS CONSUMED AND PURCHASE OF GOODS</b>		
Raw Materials consumed	127,356,516	115,960,794
Packing Materials consumed	101,577,111	90,930,354
Purchase of Goods for resale	118,646,180	101,011,319
	<u>347,579,807</u>	<u>307,902,467</u>



**31-3-2010**  
**Rs.**

**31-3-2009**  
**Rs.**

### Schedule 17 : MANUFACTURING AND OTHER EXPENSES

#### Employees Cost

Salaries, Wages, Benefits and other allowances (including Directors' Remuneration)	100,829,637	94,911,954
Contribution to Provident and other funds	9,933,197	12,247,702
Welfare Expenses	<u>4,070,434</u>	<u>3,630,131</u>
	<u>114,833,268</u>	<u>110,789,787</u>
Processing charges	14,803,855	10,081,781
Laboratory Expenses	1,850,630	2,245,631
Power and Fuel	11,861,164	12,388,423
Stores Consumed	13,632,659	12,922,651
Repairs to Building	320,228	169,350
Repairs to Plant & Machineries	268,766	763,287
Communication Expenses	4,647,985	5,758,767
Printing and Stationery	1,146,543	612,283
Traveling and Conveyance	24,467,852	25,289,310
Directors' Sitting Fees & Allowances	245,000	270,000
Rates & Taxes	604,198	490,101
Insurance Charges	1,461,103	1,657,945
Rent	1,319,371	1,298,249
Exchange Rate Difference	0	10,678,024
Liquidated Damage	17,614,359	0
Royalty	1,222,630	1,481,978
Auditors' Remuneration	321,250	265,600
Target Discount	2,002,274	1,565,424
Freight Outward Expenses.	22,483,757	23,914,649
Research & Development Expenses	20,236,200	8,192,410
Legal & Prof.Charges	2,898,486	11,023,180
Sales Commission	43,690,357	25,563,300
Loss of Investment (Net)	38,441	0
Other Expenses	<u>21,027,396</u>	<u>20,455,023</u>
	<u><u>322,997,772</u></u>	<u><u>287,877,153</u></u>

### Schedule 18 : INTEREST AND FINANCE CHARGES

Interest on Fixed Loans (include interest paid to Whole-time Director on fixed deposits Rs.839,881 (Previous Year Rs.728,526)	11,571,424	12,760,650
Interest on Other Loans	15,657,754	20,626,406
Bank Charges	<u>3,900,774</u>	<u>3,463,887</u>
	<u><u>31,129,952</u></u>	<u><u>36,850,943</u></u>

**Schedule 19 : Notes on accounts annexed to and forming part of Consolidated Balance Sheet as at 31st March,2010 and Profit and Loss Account for the year ended on that date.**

**1. Significant Accounting Policies**

**i) Basis of Accounting**

The financial statements are prepared under historical cost convention on accrual basis of accounting and in accordance with the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**ii) Use of Estimates**

The presentation of Financial Statements (in conformity with the generally accepted accounting principles) require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known /materialised.

**iii) Principal of Consolidation.**

The financial statements of the Parent Company and Subsidiary Company have been consolidated on line-by-line basis by adding together the book values of the like items of assets, liabilities, incomes and expenses, after eliminating intra-group balances and the unrealized profits/(losses) in intra-group transactions in accordance with Accounting Standard (AS) 21 – “ Consolidated Financial Statement” and are presented to the extent possible, in the same manner as the Company’s independent financial statements.

The difference between cost of investment in subsidiary company over the net asset at the time of acquisition of shares in the subsidiary is recognized in the financial statements as goodwill or capital reserve as the case may be.

Minority interest’s share in net asset of the subsidiary Company for the year is identified and presented in consolidated balance sheet separate from liabilities and equity of the Company’s shareholders.

**iv) Employee Benefits**

a Contributions are made towards Provident Fund, Employee State Insurance scheme and Super-annuation Fund, which are defined contribution scheme. Liability in respect thereof is determined on the basis of contribution as required under the statute/rules.

b Gratuity liability, a defined benefit scheme and provision for leave encashment is accrued and provided for on the basis of actuarial valuations made at the year end. However, in case of subsidiary, leave encashment are accounted for on estimated basis as per the rules of the Company.

**v) Miscellaneous Expenditure.**

Preliminary expenses of subsidiary are amortised in its books over a period of five years in accordance with section 35D of the Income Tax Act, 1961.

**vi) Other Significant Accounting Policies :**

These are set out under “ Significant Accounting Policies ” as given in stand alone financial statements of Span Diagnostic Limited.

**2. Notes on Accounts**

A.	Contingent Liabilities not provided for in respect of	31-3-2010 Rs.	31-3-2009 Rs.
1	Sales tax: Demands under contest (Net of Tax) C-Form Pending (Net of Tax)	396,815 544,000	1,820,040 167,000
2	Disputed Liquidated Damages with respect to institutional customers (Net of Tax)	422,813	Nil
3	Excise Demand under dispute (Net of Tax)	83,280	83,280
4	Claims against the Company not acknowledged as Debts	6,205,418	6,335,500
5	On account of guarantees given by the bank on behalf of the company in favour of customs and others.	31,933,107	22,344,425
6	The Company has imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India at concessional rates of customs duty by undertaking obligations to export. Future outstanding export obligations under the Scheme as on 31-03-2010 aggregating of USD 76,944.10 if not fulfilled may result in custom duty liability of (Net of tax)	297,699	428,741
7	The Company has imported material under the Advance Authorization Scheme of the Government of India, at concessional rates of customs duty by undertaking obligations to export certain quantity of specified products. Future outstanding export obligations quantity under the Scheme as at 31-03-2010, which if not fulfilled may result in custom duty liability of (Net of tax)	11,656,611	Nil

B. Capital Commitments	31-3-2010	31-3-2009
Estimated amount of contracts (Net of advances) remaining to be executed on Capital Account and not provided for	34,636,282	30,068,000

### C. Employee Benefits

Disclosures pursuant to Accounting Standard – 15 (Revised) ' Employee Benefits'.

#### Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as given below

	2009-2010 (Rs. In Lacs)	2008-2009 (Rs. In Lacs)
Employer's Contribution to Provident Fund and Family Pension Fund	51.95	52.50
Employer's Contribution to Employee State Insurance Fund	12.27	10.59
Employer's Contribution to Super annuation Fund	15.14	14.63

#### Defined Benefit Plan

The Employees' Group Gratuity Fund is the Company's defined benefits plan for which Company has taken Group Gratuity cum Life Insurance Policy from Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The subsidiary company was following policy of measuring gratuity liability on estimated basis as per the rules of the company . From the current year company has changed its practice to measure gratuity liability on the basis of projected unit method as per the actuarial valuation report. As a result of this, the profit of the company is increased by Rs.20,367/-

#### i) Reconciliation of opening and closing balances of Defined Benefit Obligation (Rs. In Lacs)

	Gratuity (Funded) 2009-2010	Gratuity (Non Funded) 2009-2010	Gratuity (Funded) 2008-2009	Gratuity (Non Funded) 2008-2009
Defined Benefit obligation at beginning of year	205.59	1.86	175.98	–
Current Service Cost	14.37	1.05	13.55	–
Interest Cost	16.45	0.23	14.08	–
Actuarial (gain) / loss	(1.04)	(0.92)	24.12	–
Benefit Paid	(12.07)	--	(22.14)	–
Defined Benefit obligation at year end	<b>223.30</b>	<b>2.23</b>	<b>205.59</b>	–

#### ii) Reconciliation of opening and closing balances of Fair value of plan assets

(Rs. In Lacs)

	Gratuity (Funded) 2009-2010	Gratuity (Non Funded) 2009-2010	Gratuity (Funded) 2008-2009	Gratuity (Non Funded) 2008-2009
Fair value of plan assets at beginning of year	181.54	–	126.16	–
Expected return on plan assets	17.74	–	14.16	–
Actuarial (gain) / loss	--	–	--	–
Employer's contribution	38.40	–	63.36	–
Benefit Paid	(12.07)	–	(22.14)	–
Fair value of plan assets at year end	<b>225.61</b>	–	<b>181.54</b>	–
Actual return on plan assets	17.74	–	14.16	–

**iii) Reconciliation of Fair value of assets and obligation**

(Rs. In Lacs)

	Gratuity (Funded) As at 31 <sup>st</sup> March 2010	Gratuity (Non Funded) As at 31 <sup>st</sup> March 2010	Gratuity (Funded) As at 31 <sup>st</sup> March 2009	Gratuity (Non Funded) As at 31 <sup>st</sup> March 2009
Fair value of plan assets	225.61	–	181.54	–
Present value of obligation	223.30	2.23	205.59	–
Amount recognized in Balance Sheet as liability/(asset)	(2.31)	(2.23)	24.05	–

**iv) Expense recognized during the year**

(Rs. In Lacs)

	Gratuity (Funded) 2009-2010	Gratuity (Non Funded) 2009-2010	Gratuity (Funded) 2008-2009	Gratuity (Non Funded) 2008-2009
Current Service Cost	14.37	1.05	13.55	–
Interest Cost	16.45	0.23	14.08	–
Expected return on plan assets	(17.74)	–	(14.16)	–
Actuarial (gain) / loss recognized in the year	(1.04)	(0.92)	24.12	–
Net Cost recognized in Profit & Loss Account	12.04	0.36	37.59	–

**v) Investment Details**

The holding company has contracted with Life Insurance Corporation of India (LIC) to manage gratuity liability of the company. The company makes the required contribution to LIC based on computation of current service cost, expected earnings and actuarial assumptions etc. The company has not made any other investment for defined benefit plan.

**vi) Actuarial assumptions**

Mortality Table (LIC) [1994-96(Ultimate)]	Gratuity (Funded) 2009-2010 Holding	Gratuity (Non Funded) 2009-2010 Subsidiary	Gratuity (Funded) 2008-2009 Holding	Gratuity (Non Funded) 2008-2009 Subsidiary
Discount rate (per annum)	8%	8%	8%	–
Expected rate of return on plan assets (per annum)	9.25%	--	9.25%	–
Rate of escalation in salary (per annum)	7%	7%	7%	–
Attretion Rate	–	2%	–	–

**D. Deferred Tax Liability / (Asset)**

Major components of Deferred Tax Assets and Deferred Tax Liabilities arising on timing differences are

	Rs. (In '000)	
	31/03/2010	31/03/2009
<b>Deferred Tax Liability</b>		
Difference between Depreciable Assets as per books of accounts and written down value for tax purpose	14,539	13,355
Others	2,387	2952
	16,926	16307
<b>Deferred Tax Assets</b>		
Disallowance U/S 43B		
a) Provision for leave encashment	1034	222
b) Provision for Excise	51	51
c) Provision for bad/doubtful debts	410	653
d) Others	1256	383
	2751	1309
Net Deferred tax Liability	14175	14998
Net Incremental Liability/(Assets) charged/(credited) to Profit & Loss Account	<b>(823)</b>	<b>5312</b>

**E. Earning per share**

	2009-2010	2008-2009
<b>Basic Earning per share</b>		
Profit after taxation as per profit and loss account net of Prior period adjustment	54,534,112	12,588,208
Weighted average number of equity shares outstanding	3,391,370	3,152,589
Basic earning per shares in Rupees (face value – Rs. 10 per share)	<b>16.08</b>	<b>3.99</b>
<b>Diluted Earning per share</b>		
Profit after taxation as per profit and loss account net of Prior period adjustment	54,534,112	12,588,208
Add : Change in income or expenses subsequent to conversion of potential equity shares into equity shares.	Nil	Nil
Adjusted Profit for diluted earning per share (A)	54,534,112	12,588,208
Weighted average number of equity shares outstanding	3,391,370	3,152,589
Add : Weighted average number of potential equity shares on account o pending allotment	33,955	Nil
Weighted average number of equity shares outstanding for Diluted EPS (B)	3,425,325	3,152,589
Diluted earning per share in Rupees (C) = (A)/(B)	<b>15.92</b>	<b>3.99</b>

**F. Increase in Equity Share Capital**

During the year, 165,250 equity shares each of Rs. 10 were issued on a preferential basis by the Holding company at a premium of Rs. 29.97 each aggregating to Rs. 6,605,042. The same was utilized for funding the capital expenditure / strategic investment.

**G. Impairment Loss**

There was no impairment loss on Fixed Assets on the basis of review carried out by the Management in accordance with Accounting Standard 28 'Impairment of Asset'.

**H. Lease**

- i) The Company does not have financial lease arrangement.
- ii) The Company has taken residential, office and godown premises under short term cancelable lease arrangements and are renewable on mutually agreeable terms.  
Rent paid under this agreement Rs. 1,319,371.
- iii) The Company has given premises under non-cancelable lease arrangements.  
Rent received during the year under this agreement Rs. 2,190,000.
- Future minimum lease rental in respect of assets given on non-cancelable operating lease in the form of premises is as under.
- Receivable within one year Rs. 2,190,000
  - Receivable between one year and five year Rs. 912,500
  - Receivable after five year Rs. Nil

**I. Segment reporting**

The company operates in a single segment – Diagnostic Products.

**J. Related party disclosures**

Related party Disclosures as required by AS-18 are given below.

**1 Relationship.**

- (i) Other Related parties where common control exists.  
Span Finstock Pvt.Ltd.  
Quest Biochemicals Pvt. Ltd.  
Span Diagnostics SARL  
Span Diagnostics FZC  
Span Nihon Kohden Diagnostics Pvt. Ltd.
- (ii) Key Management Personnel :  
Dr. Pradip K.Desai  
Mr. Veeral P. Desai  
Mrs. Sujata V. Desai  
Miss Madhukanta T. Patel  
Mr. Sanjay Mehta  
Dr. B. Prasad

- (iii) Relatives of key management personnel and their enterprise, where transactions have taken place.  
 Mrs. Lata P. Desai  
 Mrs. Tejal V. Desai  
 Mrs. Shital S. Kazi  
 Mr. Prakash K. Desai  
 Shri. Pradip. K. Desai HUF  
 Dr. Harshad R. Gandhi  
 Mrs. Kokila H. Gandhi  
 Mr. Sunil T. Patel  
 Smt. Bhanuben T. Patel
- (iv) Enterprise over which persons described in (ii) above is able to exercise significant influence.  
 Desai Metropolis Health Services Pvt. Ltd.  
 Span Educational & Research Foundation  
 Akkad Mehta & Co

Note : Related party relationship on the basis of the requirements of Accounting Standard 18 (AS-18) as in 1(i) to (iv) above is identified and certified by the Management and relied upon by the Auditors.

## 2. Transactions with related parties

Particulars	Referred In 1(i)Above	Referred In 1(ii)Above	Referred In 1(iii)Above	Referred In 1(iv)Above
<b>Sales :</b>				
Goods and Material	2,144,775			617,492
	(3,176,866)			(949,034)
Service				58,500
				(Nil)
<b>Purchase:</b>				
Goods and Material	44,555,825			
	(8,723,930)			
<b>Expenses :</b>				
Remuneration/sitting Fees		17,003,863		
		(13,861,232)		
Interest on F.D./Loan		200,156	547,893	
		(867,028)	(830,312)	
Professional Fees				120,000
				(200,000)
Rent paid		22,000	60,000	
		(18,000)	(66,000)	
Dividend Paid		Nil	Nil	
		(1,187,048)	(633,560)	
Gardening Expense				611,362
				(Nil)
Selling & Marketing Expense	1,007,203			
	(Nil)			
<b>Income :</b>				
License Fees	2,190,000			
	(1,277,500)			
Interest Income	Nil			
	(240,905)			
Other Income	686,316			
	(Nil)			
<b>Capital Items :</b>				
Loan & Advances received	3,000,000	Nil	350,000	
	(2,753,501)	(2,675,700)	(1,397,000)	
Loan & Advances given	1,245,901			
	(5,025,091)			
Purchase of Technology (W.I.P)	2,961,198			
	(Nil)			
Purchase of Asset	941,695			
	(Nil)			
Investment Made	Nil			
	(5,400,000)			
Loss on Sale of Investment	756,821			
	(Nil)			
Outstanding loan/Deposit payable	500,000	1,735,000	2,048,000	
	(518,016)	(3,200,000)	(6,848,000)	
Outstanding loan/Deposit receivable	333,885			
	(1,992,203)			
Outstanding others [Credit]/debit	[9,870,545]	Nil	Nil	7,226
	[(2,249,463)]	(Nil)	(Nil)	(108,092)

**K. Sundry Creditors**

The Company has amounts due to suppliers under 'The Micro Small and Medium Enterprise Development Act, 2006 (MSMED Act)' as at 31<sup>st</sup> March, 2010. The disclosure pursuant to the said Act is as under:

Particulars	2009-10 (Rs.)
Principal amount due to suppliers under MSMED Act	54,046
Interest accrued, due to suppliers under MSMED Act on the above amount and unpaid	76
Payment made to suppliers (other than interest) beyond the appointed day during the year	369,709
Interest paid to suppliers under MSMED Act (other than Section 16)	Nil
Interest paid to suppliers under MSMED Act (Section 16)	Nil
Interest due and payable towards suppliers under MSMED Act for payments already made	4,408
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	4,484

**L. Exchange Rate Difference**

The Exchange rate difference arising on foreign currency transactions has been credited to Profit and Loss account Rs. 61.51 Lacs (Profit) [Previous Year 106.78 (Loss)].

**M. Disclosure for Borrowing Costs capitalized**

In accordance with AS-16 related to Borrowing costs which amounts to Rs.0.81lacs has been capitalized during the year (Previous year Rs. 14.74 Lacs)

**N.** Research and development expenditure of Rs.205.16Lacs is recognised as revenue expenses during the year (Previous year 81.92 Lacs).

**O.** Balances of sundry debtors are as per books of accounts

**P.** The figures for the previous year have been regrouped/recast/reclassified wherever necessary in conformity with those of current year.

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

	31.03.2010 Rs.	31.03.2009 Rs.
<b>A. CASH FLOW FROM THE OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEM ADJUSTED FOR	77,519,158	25,373,501
Depreciation and Amortization	20,931,456	18,279,799
Deferred Revenue Expenses	13,036	515,531
Investment Income	(1,385,949)	(1,331,720)
Interest Charged	31,129,952	36,850,942
Loss on Sales of Investment (Net)	0	0
Loss on Sales of Fixed assets (Net)	226,535	0
<b>Operating Profit before working capital changes</b>	<b>128,434,188</b>	<b>79,688,053</b>
<b>ADJUSTED FOR CHANGES IN</b>		
Trade and Other Receivables	15,324,865	(74,289,079)
Inventories	(19,506,458)	9,622,222
Trade Payables and other liabilities	41,344,058	3,737,473
<b>Cash generated from operations</b>	<b>165,596,653</b>	<b>18,758,669</b>
Direct taxes (Including FBT of earlier year) paid during the year	(19,670,043)	(10,188,829)
Cash flow before Extra-ordinary items	145,926,611	8,569,840
Prior period adjustments	(75,254)	1,446,097
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>145,851,357</b>	<b>10,015,937</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition in Fixed Assets and Capital Work in Process	(50,106,516)	(32,949,477)
Proceeds from Sales of Fixed Assets	341,550	365,359
Addition in Investment	0	(4,294,528)
Proceeds from Sales of Investment	2,475,461	0
Interest received	1,385,949	1,331,720
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(45,903,556)</b>	<b>(35,546,926)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	8,256,304	9,337,775
(Repayment)/Proceeds(of) from Borrowings	(75,123,860)	51,218,097
Interest paid	(31,129,952)	(36,850,942)
Dividend & Corporate Dividend Tax paid	0	(7,370,685)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(97,997,508)</b>	<b>16,334,245</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>1,950,293</b>	<b>(9,196,744)</b>
CASH AND CASH EQUIVALENTS - OPENING BALANCE	25,143,105	34,339,849
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	27,093,398	25,143,105

As per our Report of even date attached hereto :

**For Y.B. DESAI & ASSOCIATES**

Chartered Accountants

**Firm ICAI Registration No.102368W**
**Y.B.DESAI**

Partner

M.No. 8767

Place : Surat

Date : 5th June, 2010

For and on behalf of the Board

**Smt. Lata P. Desai**
*Chairperson*
**V. P. Desai**
*Managing Director*

Place : Surat

Date : 5th June, 2010



**SPAN DIAGNOSTICS LIMITED**

Dear Sirs,

Re : Folio No. / DP / Client ID No. (s) :

**PAYMENT OF DIVIDEND**

I/We request you to kindly print on the Dividend Warrant despatched to me/us particulars of bank account as under.

Name of the Bank : .....

Name of the Branch : .....

Account No. : .....

PAN / GIR No. : .....

I/We undertake to intimate to the Company any change in the above particulars.

Name & Address of Shareholder

.....  
.....  
.....  
.....

- 1. ....
- 2. ....
- 3. ....

(Signature of Sole/First Shareholder of Authorised Signatories as per specimen registered with the Company)

**ECS MANADATE FORM**

01. Name of the Shareholder (In Block Letters)	
02. Folio No. (If not dematerialized)	
a) DP ID No.	
b) Client ID No. (If dematerialized)	
03. No. of Shares	
04. Bank Name	
05. Branch Name & City (PIN Code)	
06. Account Number (as appering on Cheque Book)	
07. Ledger Folio No. of the Account (If appearing on Cheque Book)	
08. Account Type (Please tick ✓)	Saving Bank ( )    Current ( )    Cash Credit ( )
09. 9 Digit Code Number of the Bank & Branch appearing on the MICR Cheque issued by the Bank (Please attach photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above Account for verifying the accuracy of the code number.)	

I agree to avail of the Electronic Clearing Service Introduced by RBI with respect to payment of dividend to me.

I hearby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons beyond the control of the Company, I would not hold SPAN DIAGNOSTIC LIMITED responsible.

\_\_\_\_\_  
Signature of the Sole / First Shareholder.

**SPAN DIAGNOSTICS LIMITED**

**Regd. Office : 173-B, New Industrial Estate, Udhna Udyognagar, Udhna- 394 210. Surat.**

**Attendance Slip**

Name of member : \_\_\_\_\_  
(In Block Letters)

Reg. Folio No./DP/ Client ID No. (S) : \_\_\_\_\_

I hereby record my presence at the 30th ANNUAL GENERAL MEETING at Plot No. 173-B, New Industrial Estate, Road No. 6-G, Udhna Udyognagar, UDHNA, Surat-394 210 at 11.00 a.m. On Saturday, the 17th day of July, 2010.

**SIGNATURE OF THE ATTENDING MEMBER / PROXY.**

- Note :
1. A Shareholder / Proxy-holder wishing to attend the meeting must bring the Attendance slip to the meeting and hand over at the entrance duly Signed.
  2. A Shareholder / Proxy-holder wishing to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

Tear here

**SPAN DIAGNOSTICS LIMITED**

**Regd. Office : 173-B, New Industrial Estate, Udhna Udyognagar, Udhna- 394 210. Surat.**

**Proxy**

I/We \_\_\_\_\_  
Of \_\_\_\_\_ being  
a Member / Members of the above-named Company, hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
or failing him \_\_\_\_\_ of \_\_\_\_\_

as my / our Proxy to attend and vote for me / us on my / our behalf at the 30th Annual General Meeting of the Company, to be held at 11.00 a.m. On Saturday, the 17th day of July, 2010 and at any adjournment thereof.

Reg. Folio No./DP/Client ID No.(S) : \_\_\_\_\_

Signature (S) \_\_\_\_\_

Affix  
1 rupee  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

- Note :
1. The Proxy must be returned so as to reach the Registered Office of the Company, Span Diagnostics Limited, 173-B, New Industrial Estate, Udhna, Surat-394 210, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
  2. Proxy need NOT be a member.



Span Diagnostics Ltd.