



**Span Divergent Ltd.**

(Formerly Span Diagnostics Ltd.)

9th Floor, Rajhans Bonista,  
Behind Ram Chowk, Ghod Dod Road,  
Surat - 395 007, Gujarat, India  
Phone: +91 261 266 32 32  
E-Mail: contact@span.in

Date: September 02, 2024

To,  
**Listing Compliance Department**  
**Bombay Stock Exchange Limited**  
**Phiroze Jeejeebhoy Tower,**  
**25<sup>th</sup> Floor, Dalal Street,**  
**Mumbai – 400 001**

Respected Sir / Madam,

**Subject: Annual Report under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**  
**Scrip Code: 524727**

The 44<sup>th</sup> Annual General Meeting (“AGM”) of the Company will be held on Thursday, September 26, 2024 at 11:30 a.m. through Video Conferencing / Other Audio Visual Means.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the Financial Year 2023-2024 which is being sent through electronic mode to the Members.

The schedule of AGM is set out below:

Event	Date	Time
Relevant Date/cut-off date to vote on AGM resolution	September 19, 2024	NA
Closure of register of members and Share Transfer Books	From September 20, 2024 to September 26, 2024 (both day inclusive)	NA
Commencement of E-voting	September 23,2024	9.00 A.M.
End of E-voting	September 25,2024	5.00 P.M.
AGM(through VC/OAVM)	September 26,2024	11.30 A.M.

Kindly take the above information on your record.

Thanking you,

Yours faithfully,

**For Span Divergent Limited**

**Paras Desai**  
**Whole time Director and CFO**  
**DIN: 08293906**

CIN: L74999GJ1980PLC003710

www.span.in



Span Divergent Limited  
44<sup>th</sup> Annual Report  
2023-24

**BOARD OF DIRECTORS**

Mr. Rajendra Chokhawala	Chairman (w.e.f. February 12, 2024 & Director w.e.f. January 01, 2024)
Mr. N Gopaldaswami	Director (up-to March 31, 2024)
Mr. Viral P Desai	Managing Director
Dr. Pradip K Desai	Director
Mr. Shyamal Ghosh	Director (up-to March 31, 2024)
Mr. Kamlesh Patel	Director (up-to March 31, 2024)
Mr. Jignesh Desai	Director (w.e.f. January 01, 2024)
Mr. Nirav Jogani	Director (w.e.f. January 01, 2024)
Mr. Sanjay N Mehta	Director
Dr. Shefali Desai	Director
Mr. Paras Desai	Whole Time Director and CFO

**COMPANY SECRETARY**

Ms. Urvi Shinde

**CHIEF FINANCIAL OFFICER**

Mr. Paras Desai

**BANKERS**

HDFC BANK LIMITED

Chaintanya Jyoti, Maskati Plot, Vibhag-2, Plot No. 32,  
Opp. Raymonds Showrooms, Dumas Road, Surat – 395007**STATUTORY AUDITORS**

M/S. Y. B. Desai &amp; Associates

Chartered Accountant

1/573, 1<sup>st</sup> Floor, Gajanand Complex, Por Mohallow, Near Anand Hospital,  
Nanpura, Surat – 395 001**HEAD OFFICE &  
REGISTERED OFFICE**9<sup>th</sup> Floor, 902-904, Rajhans Bonista,  
Behind Ram Chowk Temple, Ghod Dod Road, Surat 395007

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## NOTICE

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

**NOTICE** is hereby given that the 44<sup>th</sup> Annual General Meeting (AGM) of Shareholders of Span Divergent Limited (Formerly Span Diagnostics Limited) will be held on **Thursday, September 26, 2024 at 11:30 A.M. Indian Standard Time (IST)** through Video Conferencing / Other Audio Visual Means ('VC/OAVM') facility to transact the following businesses:

### ORDINARY BUSINESS

**1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements for the financial year ended March 31, 2024, and the Reports of the Board of Directors and Auditor thereon;** and further to consider and pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** the Standalone and Consolidated Annual Financial Statements for the year ended March 31, 2024, together with Directors' Report and the Auditors' Reports thereon as circulated to the members and presented to the meeting be and hereby approved and adopted.”

**2. To appoint a director in place of Mr. Sanjay Mehta (DIN: 00002817) who retires by rotation and being eligible, offers himself for re-appointment** and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 and relevant rules framed thereunder, including any modification(s) thereto or re-enactment(s) thereof, for the time being in force, Mr. Sanjay Mehta (DIN: 00002817) a Director liable to retire by rotation who offers himself for re-appointment, be re-appointed as a Director of the Company.

### SPECIAL BUSINESS

**3. Continuation of directorship of Mr. Sanjay Mehta (DIN: 00002817), as Non-Executive Non-Independent Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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

**“RESOLVED THAT** pursuant to Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the applicable provisions of the Companies Act, 2013 and relevant Rules framed thereunder (including any statutory modification(s) / amendment(s) / re-enactment(s) thereof, for the time being in force), approval of the Members be and is hereby accorded to the continuation of directorship of Mr. Sanjay Mehta [Director Identification Number (DIN): 00002817], as a 'Non-Executive Non-Independent Director' of the Company, liable to retire by rotation who would attain age of 75 years on October 20, 2024”

**4. To consider re-appointment of Mr. Paras Desai (DIN 08293906) as a Whole Time Director designated as Executive Director and Chief Financial Officer (CFO) of the Company and payment of remuneration**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

#### **“RESOLVED THAT**

**A.** Pursuant to the provisions of Section 196, 197, 198, 203 and all other applicable provisions of the Companies Act; 2013 (“Act”) read with Schedule V to the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and rules framed thereunder and the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modifications or re-enactments thereof for the time being in force and such other approvals, permissions, and sanctions as may be required, and as recommended by the Nomination and Remuneration Committee, consent of the members be and is hereby also accorded for the re-appointment of Mr. Paras Desai, (DIN: 08293906) as Whole Time Director and Chief Financial Officer (CFO) of the Company designated as Executive Director and Chief Financial Officer (CFO) of the Company, for a further period of 3 years with effect from September 27, 2024, not liable to retire to by rotation, on the under mentioned terms of Remuneration;

**(a) Salary:** INR 1,02,590 per month in the scale of INR 1,05,000 -25,000-5,00,000 with such increments at such time, as may be decided by the Board of Directors.

**(b) Allowances & Perquisites:** Allowances and perquisites shall comprise of:

- i. House Rent Allowance not exceeding 40% of salary
- ii. Leave travel allowance / reimbursement for self and family once in a year in accordance with the rules of the Company shall not exceed one monthly salary.
- iii. Other allowances not exceeding INR 3,50,000 per month
- iv. Sodexo Meal Coupons not exceeding INR 2,200 per month
- v. Children Education Allowance INR 400 per month
- vi. Children Hostel Allowance INR 600 per month
- vii. Newspaper / Periodicals allowances INR 1000 per month
- viii. Petrol Reimbursement not exceeding INR 5500 per month
- ix. Driver's Salary Reimbursement not exceeding 9,000 per month
- x. Bonus not exceeding one monthly salary
- xi. Company's contribution to Provident Fund and Gratuity fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961
- xii. Gratuity as per the rules of the Company but shall not exceed half a month's Salary for each completed year of service.
- xiii. Earned Leave of one month for every eleven months of service on full pay and allowance as per the rules of the Company. Leave accumulated but not availed of, can be encashed as per the rules of the Company.
- xiv. Reimbursement of entertainment, travelling and other expenses incurred in the course of legitimate business of the Company.

**B.** In the event of loss or inadequacy of profits, Mr. Paras Desai shall be entitled to above stated remuneration subject to the requisite approvals, if any, required.

**C.** In the event of non-approval / pending required approval of remuneration, Mr. Paras Desai shall be entitled to remuneration as under:

- i. At the slab stipulated in Section II of Part II of Schedule V to the Companies Act, 2013; together with

- ii. Company's contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- iii. Gratuity as per the rules of the Company but shall not exceed half a month's Salary for each completed year of service; and
- iv. Earned Leave of one month for every eleven months of service on full pay and allowance as per the rules of the Company. Leave Accumulated but not availed of, can be encashed as per the rules of the Company.

The Board of Directors be and are hereby severally and/or jointly authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution and alter, vary any of the terms and conditions relating to remuneration payable to Mr. Paras Desai within the overall remuneration package approved.

**RESOLVED FURTHER THAT** any of the Directors of the Company or Company Secretary of the Company be and are hereby jointly and/or severally authorized to submit the necessary applications, if required, and the other required documents, forms and papers to the Registrar of Companies and to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution including altering, deleting, inserting any of the clause and solve any difficulties that may arise while giving effect to this resolution without seeking any further approval of the members of the Company."

#### **5. Re-appointment of Mr. Viral Pradipkumar Desai (DIN: 00029219) as a Managing Director of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

#### **"RESOLVED THAT**

**A.** Pursuant to the provisions of Sections 197, 198 and 203 and all other applicable provisions, if any, of the Companies Act, 2013, (Act) read with Schedule V to the Companies Act, 2013 as amended from time to time and/or any enactment thereof and such other approvals as may be required, the Company hereby accords its consent to the reappointment of Mr. Viral P Desai, (DIN: 00029219) as Managing Director of the Company, for a further period of 3 years w.e.f. July 01, 2025 on the under mentioned terms of Remuneration

- a) **Salary:** INR 1,50,000 per month in the scale of INR 1,50,000 -50,000-5,00,000 with such increments at such time, as may be decided by the Board of Directors.
- b) **Allowances & Perquisites:** Allowances and perquisites shall comprise of:
  - i. House Rent Allowance not exceeding 40% of salary
  - ii. Leave travel allowance / reimbursement for self and family once in a year in accordance with the rules of the Company shall not exceed 50% of monthly Salary.
  - iii. Other allowances not exceeding INR 2,00,000 per month
  - iv. Sodexo Meal Coupons not exceeding INR 2,200 per month
  - v. Personal Accident Insurance in accordance with the rules of the Company.
  - vi. Reimbursement of club fees subject to a maximum of two clubs. This will not include admission and life membership fees.
  - vii. Company's contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961
  - viii. Gratuity as per the rules of the Company but shall not exceed half a month's Salary for each completed year of service.
  - ix. Car with driver for use on Company's business, cell phone and telephone at residence will not be considered as perquisites. Personal long-distance calls and use of car for private purpose shall be billed by the Company.
  - x. Earned Leave of one month for every eleven months of service on full pay and allowance as per the rules of the Company. Leave accumulated but not availed of, can be encashed as per the rules of the company.
  - xi. Reimbursement of entertainment, travelling and other expenses incurred in the course of legitimate business of the Company.

**B.** In the event of loss or inadequacy of profits, Mr. Viral P Desai shall be entitled to above stated remuneration subject to the requisite approval, if any required.

**C.** In the event of non-approval / pending approval of remuneration, Mr. Viral P. Desai shall be entitled to remuneration as under:

- i. At the slab stipulated in Section II of Part II of Schedule V to the Companies Act, 2013; together with
- ii. Company's contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- iii. Gratuity as per the rules of the company but shall not exceed half a month's Salary for each completed year of service; and
- iv. Earned Leave of one month for every eleven months of service on full pay and allowance as per the rules of the company. Leave accumulated but not availed of, can be encashed as per the rules of the company.

The Board of Directors be and are hereby severally and/or jointly authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution and alter, vary any of the terms and conditions relating to remuneration payable to Mr. Viral P. Desai within the overall remuneration package approved.

**"RESOLVED FURTHER THAT** any of the Directors of the Company and/or Company Secretary be and are hereby jointly and/or severally authorized to submit the necessary applications, if required, and the other required documents, forms and papers to the Registrar of Companies and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution including altering, deleting, inserting any of the clause and solve any difficulties that may arise while giving effect to this resolution without seeking any further approval of the members of the Company."

#### **6. Payment of Remuneration to Ms. Sujata Desai, COO (Chief Operating Officer):**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with rules made thereunder ('the Rules') including any statutory modification(s) or re-enactment(s) thereof, Company be and hereby accord their consent to the payment of remuneration to Ms. Sujata V Desai, Chief Operating Officer, of an amount not exceeding INR 45,00,000 per annum for holding position of Chief Operating Officer of the Company, being the office of place of profit for a period of three years i.e. 2025-2026 to 2027-2028."

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

“**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to make necessary application(s) and to sign, execute and file all such forms, papers and documents as may be considered necessary or expedient including appointing attorneys or authorized representatives under appropriate Letter(s) of Authority to appear before the office of the ROC and other regulatory authorities, as may be applicable, for making application to give effect to the above resolution and to file required documents and information to such other authority(s) as may be required from time to time and to do all such acts, deeds and things as may be required in this connection and to resolve all the doubts, questions, difficulties relating thereto from time to time without seeking any further approval of the members of the Company.”

In the event of non-approval or pending required approval of remuneration, Ms. Sujata Desai shall be entitled to remuneration as under:

- i. Not exceeding INR 30,00,000 per annum; together with
- ii. Company’s contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- iii. Gratuity as per the rules of the company but shall not exceed half a month’s Salary for each completed year of service; and
- iv. Earned Leave of one month for every eleven months of service on full pay and allowance as per the rules of the company. Leave accumulated but not availed of, can be encashed as per the rules of the company.

“**RESOLVED FURTHER THAT** the Board of Directors and/or any of the Director of the Company be and is hereby severally authorized to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to this Resolution.”

#### 7. Disinvestment in Subsidiary LLP ‘Span Diagnostics LLP:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions if any, of the Companies Act, 2013, and the relevant rules made thereunder (including any statutory modifications, amendments or re-enactments of any of them for the time being in force), and subject to other requisite approvals to the extent necessary as may be required, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as Board) to sell / transfer or otherwise dispose-off in one or more tranches, the entire investments i.e. contribution of INR 99,000 aggregating to 99% held in Span Diagnostics LLP., a subsidiary LLP to the purchasers and at the consideration not less than the amount as mentioned below; or to any other purchaser or purchasers (whether related or not) with whom the Board may finalize the agreement and on such other terms and conditions as may be approved by the Board:

Sr. No.	Purchaser	Contribution	Consideration
01	Dr. Pradip K Desai	99,000	99,000

**RESOLVED FURTHER THAT** for the purpose of implementation of this resolution, the Board be and is hereby authorised to do all such acts, deeds, matter and things, including but not limited to deciding the time, mode, manner, extent of tranches, if required and other terms and conditions of the disinvestment / sales / Transfer of the investment as aforesaid, negotiating and finalizing the terms of sale / offer for sale as may be necessary, desirable and expedient to be agreed, and all incidental and necessary steps for and on behalf of the Company and to settle all questions or queries that may arise in the course of implementing this resolution.

#### 8. Approval for Related Party Transaction(s):

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

“**RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any of the Companies Act, 2013 (the “Companies Act”) read with applicable provisions the Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of amended regulation 23 and such other applicable provisions / regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other provisions of applicable laws / rules and subject to the approval / consent of such appropriate authorities as may be required, under any statute for the time being in force, if any, (including any amendment, modifications or re-enactment thereof), consent of the members of the Company be and is hereby accorded to the Company for related party transaction(s) (whether by way of an Individual Transaction or Transactions taken together or series of transactions or otherwise) entered or to be entered into with following related parties, up to the maximum per annum amounts as appended in table below against each of the related parties and on such terms and conditions as may be considered appropriate by the Board of Directors:”

Sr. No.	Name of the Related Party	Relationship	*Maximum Value of Transactions per annum (Amount in Rs. Crore)
1	Dryfruit Factory LLP	LLP in which Company is partner	75
2	Aranya Agri Biotech LLP	LLP in which Company is partner	25
3	Span Diagnostics LLP	LLP in which Company is partner	5
4	Biospan Scientific LLP	LLP in which Company is partner	5
5	Desai Farmharvest LLP	LLP in which Company is partner	5

\*Expected value of transactions per annum

“**RESOLVED FURTHER** that the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary and expedient, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental Authorities in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“**RESOLVED FURTHER** that the Board of Directors of the Company and/or any director of the Company and/or a committee thereof, be and are hereby severally and/or jointly authorised to do or cause to be done all such acts, matters, deeds, things and to settle any queries, difficulties, doubts, that may arise with regards to any transaction with the related party and execute such agreements, documents and writings and to make such fillings as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

“**RESOLVED FURTHER** that all actions taken by the Board, in connection with any matter referred to or contemplated in the foregoing resolution, be and are hereby approved, ratified and confirmed in all respects.”

“**RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby jointly and/or severally authorized to submit the necessary applications, if required, and the other required documents, forms and papers to the Registrar of Companies and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution including altering, deleting, inserting any of the clause and to solve any difficulties that may arise while giving effect to this resolution without seeking any further approval of the members of the Company.”

#### 9. Approval for Related Party Transaction(s):

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

“**RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any of the Companies Act, 2013 (the “Companies Act”) read with applicable provisions the Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of amended regulation 23 and such other applicable provisions / regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other provisions of applicable laws / rules and subject to the approval / consent of such appropriate authorities as may be required, under any statute for the time being in force, if any, (including any amendment, modifications or re-enactment thereof), consent of the members of the Company be and is hereby accorded to the Company for related party transaction(s) (whether by way of an Individual Transaction or Transactions taken together or series of transactions or otherwise) entered or to be entered into with following related parties, up to the maximum per annum amounts as appended in table below against each of the related parties and on such terms and conditions as may be considered appropriate by the Board of Directors:”

Sr. No.	Name of the Related Party	Relationship	*Maximum Value of Transactions per annum (Amount in Rs. Crore)
1	Span Bioproducts Private Limited	One or more Common Directors	5
2	Mr. Viral P Desai	Managing Director	5
3	Dr. Pradip K Desai	Director	5
4	Mrs. Sujata Desai	Chief Operating Officer	5

\*Expected value of transactions per annum

“**RESOLVED FURTHER** that the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary and expedient, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“**RESOLVED FURTHER** that the Board of Directors of the Company and/or any director of the Company and/or a committee thereof, be and are hereby severally and/or jointly authorised to do or cause to be done all such acts, matters, deeds, things and to settle any queries, difficulties, doubts, that may arise with regards to any transaction with the related party and execute such agreements, documents and writings and to make such fillings as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

“**RESOLVED FURTHER** that all actions taken by the Board, in connection with any matter referred to or contemplated in the foregoing resolution, be and are hereby approved, ratified and confirmed in all respects.”

“**RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby jointly and/or severally authorized to submit the necessary applications, if required, and the other required documents, forms and papers to the Registrar of Companies and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution including altering, deleting, inserting any of the clause and to solve any difficulties that may arise while giving effect to this resolution without seeking any further approval of the members of the Company.”

#### 10. Approval for Related Party Transaction(s):

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

“**RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any of the Companies Act, 2013 (the “Companies Act”) read with applicable provisions the Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of amended regulation 23 and such other applicable provisions / regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other provisions of applicable laws / rules and subject to the approval / consent of such appropriate authorities as may be required, under any statute for the time being in force, if any, (including any amendment, modifications or re-enactment thereof), consent of the members of the Company be and is hereby accorded to the Company for related party transaction(s) (whether by way of an Individual Transaction or Transactions taken together or series of transactions or otherwise) entered or to be entered into with following related parties, up to the maximum per annum amounts as appended in table below against each of the related parties and on such terms and conditions as may be considered appropriate by the Board of Directors:”

Sr. No.	Name of the Related Party	Relationship	*Maximum Value of Transactions per annum (Amount in Rs. Crore)
1	Mr. Paras Desai	Whole Time Director & CFO	5

\*Expected value of transactions per annum

“**RESOLVED FURTHER** that the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary and expedient, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents,

including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“**RESOLVED FURTHER** that the Board of Directors of the Company and/or any director of the Company and/or a committee thereof, be and are hereby severally and/or jointly authorised to do or cause to be done all such acts, matters, deeds, things and to settle any queries, difficulties, doubts, that may arise with regards to any transaction with the related party and execute such agreements, documents and writings and to make such fillings as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

“**RESOLVED FURTHER** that all actions taken by the Board, in connection with any matter referred to or contemplated in the foregoing resolution, be and are hereby approved, ratified and confirmed in all respects.”

“**RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby jointly and/or severally authorized to submit the necessary applications, if required, and the other required documents, forms and papers to the Registrar of Companies and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution including altering, deleting, inserting any of the clause and to solve any difficulties that may arise while giving effect to this resolution without seeking any further approval of the members of the Company.”

**Date : August 13, 2024**  
**Place : Surat**

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

**Urvi Shinde**  
**Company Secretary**

**Registered Office:**

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

**Notes:**

- a) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”), setting out the material facts with respect to the Special Business set out in the Notice is annexed hereto and forms part of this Notice. The Board of Directors of the Company considered the special business under Item Number 3 to 10.
- b) The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from September 20, 2024 to September 26, 2024 (both days inclusive).
- d) M/s. Accurate Securities and Registry Private Limited is the Registrar and Share Transfer Agents of the Company. Shareholders are requested to make all correspondence including change of address to them at the following address.  
**Accurate Securities and Registry Private Limited**  
**Unit: Span Divergent Limited, B1105 – 1108, K P Epitome, Nr. Makarba Lake,**  
**Nr. Siddhi Vinayak Towers, Makarba, Ahmedabad - 380051**  
**Telephone No.: +91-79-4800 0319, Email: investor@accuratesecurities.com Website: www.accuratesecurities.com**
- e) Process for registration of Email Id for obtaining Annual Report, User ID and password for e-voting and updating of bank account mandate;
  - i. In case shares are held in physical mode, members are requested to approach Company’s Registrar & Transfer Agent, Accurate Securities and Registry Private Limited.
  - ii. In case shares are held in Demat mode, members are requested to update Email Id and Bank Account details with their respective Depository Participants.
- f) Members are advised to avail of the facility for receipt of future dividends through Electronic Clearing Services (ECS). Members holding shares in dematerialized mode are requested to contact their respective Depository Participants (DPs) for availing ECS facility. Members holding shares in physical form and desirous of availing ECS facility are requested to write to the Company’s Registrar & Share Transfer Agent for details.
- 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.
- h) The Ministry of Corporate Affairs (MCA) on May 10, 2012 notified the IEPF (Uploading Information regarding unpaid and unclaimed dividend amounts lying with companies) Rules, 2012 (IEPF Rules) which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of unclaimed amounts. In terms of the said IEPF Rules, the Company has uploaded the information of the unclaimed dividend on the website of the Company viz. <http://span.in/shareholder-corner/unclaimed-dividend-iepf/> and have transferred amount of unpaid dividend to IEPF in accordance with the applicable rules. **Your company does not have any unclaimed dividend amount lying with Company as on date.**
- i) Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). The shares in respect of such unclaimed dividends are also liable to be transferred to the Demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
- j) As per Section 118(1) of the Companies Act, 2013 read with the Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India, “**No gifts, gift coupons or cash in lieu of gifts shall be distributed to the members in connection with the meeting**”.
- k) Documents referred to in the notice are open for inspection at the registered office of the Company during business hours on any working day except Saturday and holidays up to the date of Annual General Meeting.
- l) Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile number, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details, such as name of Bank, branch details, bank account number, MICR Code, IFSC Code, etc.
  - a) **For Shares held in electronic form:** to their Depository Participants (DPs)
  - b) **For Shares held in physical form:** to the Registrar and Transfer Agent in the prescribed form from ISR 1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRDS/MIRDS\_RTAMB/CIR/2021/655 dated November 03, 2021.



Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company’s website at <http://span.in/shareholder-corner/miscellaneous-shareholders-information/> and on the website of the Company’s Registrar and Transfer Agents, Accurate Securities and Registry Private Limited at <https://www accuratesecurities.com/>. **It may be noted that any service request can be processed only after the folio is KYC Compliant.**

SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.

As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company’s website <http://span.in/shareholder-corner/miscellaneous-shareholders-information/> and on the website of the Company’s Registrar and Transfer Agents, Accurate Securities and Registry Private Limited at <https://www accuratesecurities.com/> Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to Accurate Securities and Registry Private Limited in case the shares are held in physical form.

m) **General instructions for accessing and participating in the AGM through VC/OAVM Facility and voting through electronic means including remote e-voting:**

1) The Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 09/2023 dated September 25, 2023, 10/2022 dated December 28, 2022 and 2/2022 dated May 05, 2022 read with 2/2021 dated 13<sup>th</sup> January, 2021, 20/2020 dated 5<sup>th</sup> May, 2020, General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 (collectively referred to as “MCA Circulars”) and Circular No. SEBI/HO/CFD/CFD/-PoD-2/P/CIR/2023/167 dated October 07, 2023, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and SEBI/HO/CFD/CMD2/CIRP/P/2022/62 dated May 13, 2022 read with SEBI/HO/CFD/CMD1/ CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI (hereinafter collectively referred to as “the Circulars”), permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations, 2015”) and MCA Circulars, the AGM of the Company will be held through VC / OAVM.

2) Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form, Attendance Slip and Route Map are not annexed to the Notice.**

3) In terms of MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report will also be available on the Company’s website <http://span.in/shareholder-corner/financial-results/> and website of stock exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of National Securities Depository Limited at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

4) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting during AGM on the date of the AGM will be provided by NSDL. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

6) The remote e-voting period begins on September 23, 2024 at 9:00 A.M. (IST) and ends on September 25, 2024 at 5:00 P.M. (IST). During this period, Members of the Company, holding shares in either physical form or in dematerialized form as at the cut-off date of September 19, 2024 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 19, 2024. Any person who acquires shares of the Company and becomes member of the Company after dispatch of this Notice and holding shares as on September 19, 2024 may obtain the login ID and Password by sending request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). The e-voting module shall be disabled by NSDL for voting after September 25, 2024 at 5:00 P.M. (IST).

7) The details of process and manner for remote e-voting and e-voting during the AGM are as under:


**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode in terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders Holding Securities in Demat mode are allowed to vote through their Demat Account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL.	<ol style="list-style-type: none"> <li>If you are already registered for <b>NSDL IDEAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the <b>“Beneficial Owner”</b> icon under “Login” which is available under <b>“IDEAS”</b> section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>“Register Online for IDEAS”</b> Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit Demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> 
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at;<a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in Demat mode) login through their depository participants	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in Demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in Demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company, For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    1. If your email ID is registered in your Demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    2. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your Demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your Demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csmiteshrana@gmail.com](mailto:csmiteshrana@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)  
Grievances connected with e-voting may be referred to:

Mr. Ketankumar Patel, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email Id: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), Tel: +91 22 24994738 / 1800 222 990

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [secretarial@span.co.in](mailto:secretarial@span.co.in)
2. In case shares are held in Demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [secretarial@span.co.in](mailto:secretarial@span.co.in). If you are an Individual shareholder holding securities in Demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode.
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their Demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members / shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, Demat account number/folio number, email id, mobile number at [secretarial@span.co.in](mailto:secretarial@span.co.in). The same will be replied by the company suitably. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request from their registered email address to [secretarial@span.co.in](mailto:secretarial@span.co.in) between Saturday, September 14, 2024 (from 9:00 a.m. IST) to Friday, September 20, 2024 (up to 5:00 p.m. IST). The request must mention their name, DP ID and Client ID/folio number, PAN and mobile number. Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions on the resolutions proposed in the Notice convening the AGM. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [secretarial@span.co.in](mailto:secretarial@span.co.in)

In case shares are held in Demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [secretarial@span.co.in](mailto:secretarial@span.co.in)

**OTHER INSTRUCTIONS**

- I. Mr. Mitesh Rana of Mitesh Rana & Co., Company Secretaries (Membership No.: 28113) has been appointed as the scrutinizer to scrutinize voting process (electronically or otherwise) in fair and transparent manner.
- II. Chairman of the Company and in his absence Mr. Viral P Desai, Managing Director or any other person authorised will declare the voting results based on scrutinizers report received on e-voting and voting during the meeting. The voting results along with scrutinizers report will be displayed on Company’s website <http://span.in> and Stock Exchange’s website [www.bseindia.com](http://www.bseindia.com).

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

**Date: August 13, 2024**  
**Place: Surat**

**Urvi Shinde**  
**Company Secretary**

## ANNEXURE TO THE NOTICE:

### I. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Item No. 3 to 10 of the accompanying Notice dated August 13, 2024.

#### Resolution at Item No. 3

Mr. Sanjay Mehta (age 74), Non-Executive Non-Independent Director of the Company is a Fellow Chartered Accountants and CWA by qualification. He is practising Chartered Accountant since more than 45 years having varied experience in auditing, corporate advisory services in the field of taxation both domestic and international, project finance and working capital appraisal, Company Law Compliances, FEMA Regulations, Indirect Taxation, Management Accounting & MIS etc.

The Securities and Exchange Board of India (SEBI) has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires that continuance of any Non-Executive Director who has attained the age of 75 years, be approved by the shareholders by way of a Special Resolution in terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. Mr. Sanjay Mehta, Non-Executive Non-Independent Director of the Company will be completing his age of 74 years on October 20, 2024, accordingly this Special Resolution is placed before the shareholders for their approval for continuation of directorship of Mr. Sanjay Mehta who would attain age of 75 on October 20, 2024.

He is a Chairman of Investors Grievances Committee, Member of Audit Committee and Member of Nomination & Remuneration Committee of the Board of the Company. His other directorship is given below:

1. Neogen Ionics Limited
2. Buli Chemicals India Private Limited
3. Neogen Chemicals Limited
4. Meera Industries Limited
5. Cognate Biolabs Private Limited
6. Span Finstock Private Limited

Apart from being a Director on the Board of various Companies, Mr. Sanjay Mehta is also partner of Akkad Mehta & Co. LLP.

In the opinion of the Board, Mr. Sanjay Mehta's rich and diverse experience is valuable asset to the Company which can provide good business insight including professional advice and perspective during Board discussions and decision making. He is a person of immense integrity who possesses required expertise and his association as Non-Executive Non-Independent Director will be beneficial to the Company.

None of the Directors and Key Managerial Personnel of Company except Mr. Sanjay Mehta and his relatives, to the extent of their shareholding interest, if any, in the Company is anyway concerned or interested in the said resolutions.

Your directors recommend the above resolution set out in Item No 3 as a Special Resolution for your approval.

#### Resolution at Item No. 4

The Nomination and Remuneration Committee at its meeting held on August 13, 2024 has recommended for re-appointment of Mr. Paras Desai, (DIN: 08293906) as Whole Time Director to be designated as Executive Director and Chief Financial Officer of the Company, with effect from September 27, 2024 on the terms of Remuneration mentioned in the resolution as above at item No. 4 for a further period of 3 (Three) years.

Mr. Paras Desai aged 57 years is an engineer and has completed his post-graduation studies in Master of Business Administration from Veer Narmad South Gujarat University, Surat and he has more than 30 years of experience in areas of Corporate Finance, Marketing, General Administration and Strategic Planning.

Mr. Paras Desai was appointed as an additional director on the Board of the Company with effect from November 10, 2020 and subsequently his appointment was regularised at the annual general meeting as Whole Time Director designated as Executive Director and Chief Financial Officer (CFO) of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relative except Mr. Paras Desai himself and his relatives to the extent of their shareholding interest, if any, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of the Notice.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Paras Desai. Accordingly, the Board recommends the Special Resolution set out at Item No. 4 of the Notice in relation to re-appointment and payment of remuneration of Mr. Paras Desai as Executive Director and Chief Financial Officer of the Company for further period of 3 (Three) years, for the approval by the shareholders of the Company.

The Board of Directors at its meeting held on August 13, 2024 has accepted the recommendations of the Nomination and Remuneration Committee and approved re-appointment and the payment of remuneration to Mr. Paras Desai, Whole Time Director designated as Executive Director and Chief Financial Officer (CFO) of the Company.

The proposed remuneration of Mr. Paras Desai may also be governed under Section II of Part II of Schedule V to the Companies Act, 2013 requiring consent of the shareholders by Special Resolution for determination of remuneration with effect from September 27, 2024. A statement containing the information stipulated in Schedule V to the Companies Act, 2013 is given in subsequent pages.

#### Disclosure of Interest

Mr. Paras Desai is interested in approval of the proposed resolution being the beneficiary.

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract of the terms of appointment of Mr. Paras Desai, as the Whole Time Director designated as Executive Director and Chief Financial Officer of the Company and Memorandum of Interest of Directors u/s. 190 of the Companies Act, 2013.

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

None of the Directors of Company except Paras Desai are any way concerned or interested in the said resolution.

**STATEMENT GIVING THE INFORMATION IN ACCORDANCE WITH SCHEDULE V TO THE COMPANIES ACT, 2013 FOR DETERMINATION OF REMUNERATION PAYABLE TO MR. PARAS DESAI, EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER**

**MR. PARAS DESAI**

Mr. Paras Desai (age 57) is an Engineer and has completed his post-graduation studies in Master of Business Administration from Veer Narmad South Gujarat University, Surat and he has more than 30 years of experience in areas of Corporate Finance, Marketing, General Administration and Strategic Planning. He took over as Chief Finance Officer of the Company with effect from August 09, 2018.

He is not a member of any of the committee of Board of the Company and other Company. His other directorship is given below:

- 1) Biospan Contamination Control Solutions Private Limited

This list of Limited Liability Partnership (LLPs) in which Mr. Paras Desai is Nominee Designated Partner are as under.

- 1) Dryfruit Factory LLP
- 2) Span Diagnostics LLP
- 3) Aranya Agri Biotech LLP
- 4) Biospan Scientific LLP
- 5) Desai Farmharvest LLP

General Information and other information are provided after explanatory statement for Resolution number 10.

**INFORMATION ABOUT THE APPOINTEE:**

Sr. No	Particulars	Details / Information
I	The background details	The background details of Mr. Paras Desai are given elsewhere in the notice.
II	Past Remuneration	In FY 2023-24, Mr. Paras Desai was drawing INR 42,00,237 p.a. including Company's contribution to provident, Gratuity as Executive Director and CFO of the Company. He was also entitled for 1 month's leave for every 11 months of service.
III	Recognition or awards	Nil
IV	Job profile and his suitability	Mr. Paras Desai, provides strategic guidance to the Company in addition to heading functionally, finance & accounts, costing, Marketing strategies, Corporate Communications, operations of JV & Subsidiaries etc including management & administration of Company. Taking into consideration his qualification and expertise in the relevant field and given the profile of Mr. Paras Desai, it is imperative that he draws the proposed remuneration and he is best suited for the responsibilities currently assigned to him.
V	Remuneration proposed	As per details given in the resolution read with explanatory statement for Items No.4.
VI	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration payable to the Mr. Paras Desai has been benchmarked with the remuneration being drawn by similar positions in Companies engaged in multiple businesses, of comparable size and has been considered by the Nomination and Remuneration Committee and the Board of Directors of the Company in their respective meeting held on August 13, 2024. Taking into consideration, the size of the Company, the profile of Mr. Paras Desai, the responsibilities shouldered by him, the remuneration proposed to be paid is commensurate with the remuneration paid to similar senior level persons in other companies.
VII	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	There is no other pecuniary relationship directly or indirectly with the Company except to the extent his remuneration and shareholding in the Company. This information is already disclosed elsewhere in the notice.

**Disclosures:**

The break-up of remuneration is mentioned in the Corporate Governance Report.

For the details on Payment of Remuneration of Mr. Paras Desai, Whole Time Director designated as Executive Director and Chief Financial Officer, please refer Explanatory statement in respect of Special Business statement at Item No. 4 of Notice of Meeting.

Details to be placed before Members in line with the SEBI Circular are given below:

Sr. No.	Particulars	Details
1	Type, material terms and particulars of the proposed transaction;	As detailed above in Resolution at Item No. 4 and Explanatory Statement.
2	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Mr. Paras Desai, Whole Time Director and CFO
3	Tenure of the proposed transaction (particular tenure shall be specified);	September 27, 2024 to September 26, 2027
4	Value of the proposed transaction	As mentioned in the Resolution

5	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for an RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	For proposed transaction value is approximately around 5.07% of entity's Annual consolidated Turnover.
6	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, cost of funds; and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable
7	Justification as to why the RPT is in the interest of the listed entity	Arrangement is commercially beneficial.
8	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable

The Board recommends the Special Resolution as set out at Item No. 04 for approval by the Members.

#### **Resolution at Item No. 5**

The term of appointment of Mr. Viral P Desai (DIN: 00029219) as Managing Director is valid up to June 30, 2025. The Board of Directors at its meeting held on August 13, 2024 has accepted the recommendations of the Nomination and Remuneration Committee and approved the reappointment of Mr. Viral P Desai as the Managing Director of the Company on remuneration for a further period of 3 years with effect from July 01, 2025.

The proposed remuneration of Mr. Viral P Desai shall be governed under Section II of Part II of Schedule V to the Companies Act, 2013 requiring consent of the shareholders for determination of remuneration for a period of 3 years. A statement containing the information stipulated in Schedule V to the Companies Act, 2013 is given in subsequent pages.

#### **Disclosure of Interest**

Mr. Viral P. Desai is interested in approval of the proposed resolution being the beneficiary. Dr. Pradip K Desai (Director) father of Mr. Viral P Desai is deemed to be interested in proposed resolution.

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract of the terms of reappointment of Mr. Viral P Desai, as the Managing Director of the Company and Memorandum of Interest of Directors u/s. 190 of the Companies Act, 2013.

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

None of the Directors of Company except Dr. Pradip K Desai and Mr. Viral P Desai are anyway concerned or interested in the said resolution.

#### **STATEMENT GIVING THE INFORMATION IN ACCORDANCE WITH SCHEDULE V TO THE COMPANIES ACT, 2013 FOR DETERMINATION OF REMUNERATION PAYABLE TO MR. VIRAL P DESAI, MANAGING DIRECTOR**

#### **MR. VIRAL P. DESAI**

Mr. Viral P Desai (age 57) has done his Bachelors in Pharmacy from Manipal University, Mangalore. He is associated with the Company since 1991. He took over as Executive Director in 1999, responsible for sales & distribution and overall administrative functions. He restructured the marketing and distribution operations and has created infrastructure for sustained growth-oriented business development. He was designated as Managing Director in 2003, responsible for overall management of the Company.

His other directorship is given below:

- 1) Span Bioproducts Private Limited
- 2) Athreyas wellness Private Limited
- 3) Biospan Contamination Control Solutions Private Limited
- 4) Micronclean India Private Limited
- 5) Surat ABO Foundation

The list of Limited Liability Partnership (LLPs) in which Mr. Viral P. Desai is partner are as under:

- 1) Span Diagnostics LLP
- 2) Aranya Agri Biotech LLP
- 3) Biospan Scientific LLP
- 4) Desai Farmharvest LLP

General Information and other information are provided after explanatory statement for Resolution number 10.

#### **INFORMATION ABOUT THE APPOINTEE:**

Sr. No.	Particulars	Details / Information
I	The background details	The background details of Mr. Viral P. Desai are given elsewhere in the notice.
II	Past Remuneration	During FY 2023-24, Mr. Viral P Desai was drawing INR 33,97,188 p.a. including Company's contribution to provident, Gratuity and superannuation fund. He was also entitled for 1 month's leave for every 11 months of service.
III	Recognition or awards	Nil
IV	Job profile and his suitability	Mr. Viral P Desai, Managing Director provides leadership and strategic guidance to the Company in addition to supervising functional-heads of sales & marketing, finance & accounts, costing, legal & regulatory compliance, logistics, product sourcing – Management & Promotion, Projects, Corporate Communications, operations of JV & Subsidiaries etc including overall management &



		administration of Company. Given the profile of Mr. Viral P. Desai, it is imperative that he draws the proposed remuneration.
V	Remuneration proposed	As per details given in the resolution read with explanatory statement for Items No.5.
VI	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in Companies engaged in multiple businesses, of comparable size and has been considered by the Nomination and Remuneration Committee and the Board of Directors of the Company in their respective meeting held on August 13, 2024. Taking into consideration, the size of the Company, the profile of Mr. Viral Desai, the responsibilities shouldered by him, the remuneration proposed to be paid is commensurate with the remuneration paid to similar senior level persons in other companies.
VII	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr. Viral P Desai is son of Dr. Pradip K Desai, Promoter Director. There is no other pecuniary relationship directly or indirectly with the Company except to the extent of their remuneration and shareholding in the Company. This information is already disclosed elsewhere in the notice.

**Disclosures:**

The break-up of remuneration is mentioned in the Corporate Governance Report.

For the details of Mr. Viral P Desai, Managing Director, please refer Explanatory Note in respect of Special Business statement at Item No. 5 of Notice of Meeting.

Details to be placed before Members in line with the SEBI Circular are given below:

Sr.No.	Particulars	Details
1	Type, material terms and particulars of the proposed transaction;	As detailed above in Resolution at Item No. 5 and Explanatory Statement.
2	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Mr. Viral P Desai, Managing Director
3	Tenure of the proposed transaction (particular tenure shall be specified);	3 Years effective from July 01, 2025
4	Value of the proposed transaction	As mentioned in the Resolution
5	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for an RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	For proposed transaction value is approximately 4.02% of entity's Annual consolidated Turnover.
6	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, cost of funds; and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable
7	Justification as to why the RPT is in the interest of the listed entity	Arrangement is commercially beneficial.
8	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable

**Resolution at Item No. 6**

Ms. Sujata Desai is presently occupying position of Chief Operating Officer (COO) of the Company being the office and/or place of profit in the Company.

In terms of Section 188(1)(f) of the Companies Act, 2013, the appointment/reappointment of a director or a relative of director to an office or place of profit in a company, its subsidiary company or an associate company requires approval of the shareholders of the Company where remuneration surpasses two and a half lacs per month. Since Ms. Sujata Desai is a Relative of Director of the Company, provisions of Section 188(1)(f) of the Companies Act, 2013 would be applicable for continuing appointment of Ms. Sujata Desai to a place of profit being the office of Chief Operating Officer of the Company as proposed revised remuneration is not exceeding INR 45 Lacs per annum for a period of three years from 2025-2026 to 2027-2028. In the light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No. 6 of the accompanying Notice. A brief profile of Ms. Sujata Desai including her nature of expertise is provided in this Annual Report.

**Brief Profile of Ms. Sujata Desai:**

Ms. Sujata Desai by qualification is an engineer and possesses professional qualification in Business Management from Indian Institute of Management. She has rich experience of working with corporates for more than 27 years. She has rich experience and expertise in areas of Supply chain operations, Human resources, Information and technology, system and process development for established as well as start-up organisations.

The Board considers that her association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Sujata Desai. Accordingly, the Board recommends approval of the members for payment of remuneration to person holding office or place of profit exceeding the limit as stated in the Companies Act, 2013.



Details to be placed before Members in line with the SEBI Circular are given below:

Sr. No.	Particulars	Details
1	Type, material terms and particulars of the proposed transaction;	As detailed above in Resolution at Item No. 6 and Explanatory Statement.
2	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Ms. Sujata V Desai, COO
3	Tenure of the proposed transaction (particular tenure shall be specified);	3 Years i.e. 2025-2026 to 2027-2028
4	Value of the proposed transaction	As mentioned in the Resolution
5	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	For proposed transaction value is approximately 3.65% of entity's Annual consolidated Turnover.
6	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, cost of funds; and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable
7	Justification as to why the RPT is in the interest of the listed entity	Arrangement is commercially beneficial.
8	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable

#### Nature of Concern or interest

None of Directors, Key Managerial Personnel and their relatives (to the extent of their shareholding interest in the Company) except Sujata Desai, Mr. Viral Desai, Managing Director and Dr. Pradip K Desai, Director, relatives of Ms. Sujata Desai are concerned or interested, financially or otherwise in passing of this resolution. Ms. Sujata Desai is wife of Mr. Viral Desai, Managing Director of the Company and Daughter in Law of Dr. Pradip K Desai.

The Board recommends the Resolution at Item No. 6 of the accompanying Notice for approval by the Members of the Company.

#### Resolution at Item No. 7

The company proposes to disinvest its entire investment of contribution of INR 99,000 in Span Diagnostics LLP which is a subsidiary LLP of the Span Divergent Limited to Dr. Pradip K Desai or to any other purchaser or purchasers (whether related or not) with whom the Board may finalize the agreement. The Board keeping in view that the subsidiary is not operational and has not transacted any business since its inception, feels that it is prudent to withdraw investment from the said LLP Subsidiary and considers the proposed disinvestment in the best interest of the Company. The Company at the same time is in the process of scoping other viable projects and business opportunities in operational subsidiaries. Members of the Company are further requested to note that Section 180(1)(a) of the Companies Act, 2013 mandates that the Board of Directors of the company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially any undertaking(s) of the company, only with the approval of the members of the Company by way of a special resolution. The Board commends the Resolutions at Item No.7 of the accompanying Notice for approval by the Members of the Company by way of Special Resolution in accordance with applicable provisions of Companies Act, 2013 and Listing Regulations. Except Dr Pradip K Desai and Mr Viral P Desai along with their relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the passing of the Resolution at Item No 7 of the accompanying Notice except to the extent of their shareholding in the Company.

#### Common Explanatory Statement for Resolution at Item No. 8, Resolution at Item No. 9 and Resolution at Item No. 10

Approval of Material Related Party Transactions under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The provisions of the recently amended Regulation 23 of the Listing Regulations, stipulate that a transaction with a related party shall be considered material, if the transaction(s) entered into/to be entered into individually or taken together with the previous transactions during a financial year, exceeds ₹ 1,000 crore or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, and will require prior approval of Members by means of an ordinary resolution. The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis. The amended Regulation 2(1)(zc) of the Listing Regulations has also enhanced the definition of Related Party(ies) and Related Party Transactions (RPTs) which now includes a transaction involving a transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, regardless of whether a price is charged or not.

#### A. Background, details and benefits of the proposed Material Related Party Transactions by the Company

Name of Related Parties as mentioned in the resolution are Related Parties as defined under Section 2 (76) of the Companies Act, 2013 and/ or under applicable accounting standards read with Regulation 2 (1) (zb) of the SEBI LODR, 2015.

The Company has entered into/is proposing to enter into certain business transactions with the related parties per annum respectively. The nature of transactions is in the form of Investments including Investment in form of fluctuating Capital (Payment or Repayments), Interest, Management Fees, Guarantee Commission, Rent, Lease Rent, Remuneration, other transactions of financial nature etc. from/by related parties. All transactions entered into/to be entered into by the Company with each of the related parties were/are in the ordinary course of business and/or were/are at arm's length

basis and necessary approvals as required in compliance of the provisions under the Act/SEBI LODR, 2015 were obtained. The related party transaction may or may not fall under the purview of Section 188 of the Companies Act, 2013 being ordinary course of business and at arm's length price however same are covered under the provisions of the regulation 23 of the SEBI Listing Regulations.

As the above transactions with each of the related parties as mentioned were considered to be or are likely to be Material Related Party Transactions based on the definition of Material Related Party Transactions as prevailing in the SEBI LODR, 2015.

Approval of the Members of the Company is therefore required in terms of Regulation 23 of the SEBI LODR, 2015 by way of passing of an Ordinary Resolution for approving overall limit of the transactions with the each of the related parties as mentioned in the resolution, an amount such transaction may likely to exceeds limit prescribed in the SEBI LODR, 2015.

Further, no related party shall vote to approve such resolution whether an entity is a related party to the particular transaction or not.

Relevant documents, if any, in respect of the said item are available in electronic form for inspection by the Members of the Company upto the last date of the remote e-voting.

The Board recommends the Ordinary Resolutions as set out for approval by the Members.

This Common Explanatory Statement for Resolution at Item No. 8, Resolution at Item No. 9 and Resolution at Item No. 10 read along with Additional Explanatory Statement Resolution at Item No. 8, Resolution at Item No. 9 and Resolution at Item No. 10 respectively.

#### Additional Explanatory Statement for Resolution at Item No. 8

Details to be placed before Members in line with the SEBI Circular are given below:

Sr. No.	Particulars	Details																		
1	Type, material terms and particulars of the proposed transaction;	As detailed above. All transactions to be entered into are at arm's length.																		
2	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	As mentioned in the resolution																		
3	Tenure of the proposed transaction (particular tenure shall be specified);	Recurring Nature and approving overall monetary limit with each of the related party per annum as mentioned in the resolution and approval of authorisation so granted by this resolution shall be valid up-to ensuing Annual General Meeting till Next Annual General Meeting.																		
4	Value of the proposed transactions	Not exceeding overall monetary limit as detailed mentioned in the resolution as set out at Item No. 8 for various related parties.																		
5	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	For proposed transaction value may or may not exceed 10% of Annual Consolidated Turnover for each of the related party. <table border="1"> <thead> <tr> <th>Name of Related Party</th> <th>% of Annual Consolidated Turnover</th> <th>% of Annual Standalone Turnover of respective Subsidiary</th> </tr> </thead> <tbody> <tr> <td>Dryfruit Factory LLP</td> <td>Approximately 608.14%</td> <td>Approximately 831.28%</td> </tr> <tr> <td>Aranya Agri Biotech LLP</td> <td>Approximately 202.71%</td> <td>Approximately 5048.44%</td> </tr> <tr> <td>Span Diagnostics LLP</td> <td>Approximately 40.54%</td> <td>The LLP is inoperative.</td> </tr> <tr> <td>Biospan Scientific LLP</td> <td>Approximately 40.54%</td> <td>Approximately 382.91%</td> </tr> <tr> <td>Desai Farmharvest LLP</td> <td>Approximately 40.54%</td> <td>The LLP is inoperative.</td> </tr> </tbody> </table>	Name of Related Party	% of Annual Consolidated Turnover	% of Annual Standalone Turnover of respective Subsidiary	Dryfruit Factory LLP	Approximately 608.14%	Approximately 831.28%	Aranya Agri Biotech LLP	Approximately 202.71%	Approximately 5048.44%	Span Diagnostics LLP	Approximately 40.54%	The LLP is inoperative.	Biospan Scientific LLP	Approximately 40.54%	Approximately 382.91%	Desai Farmharvest LLP	Approximately 40.54%	The LLP is inoperative.
Name of Related Party	% of Annual Consolidated Turnover	% of Annual Standalone Turnover of respective Subsidiary																		
Dryfruit Factory LLP	Approximately 608.14%	Approximately 831.28%																		
Aranya Agri Biotech LLP	Approximately 202.71%	Approximately 5048.44%																		
Span Diagnostics LLP	Approximately 40.54%	The LLP is inoperative.																		
Biospan Scientific LLP	Approximately 40.54%	Approximately 382.91%																		
Desai Farmharvest LLP	Approximately 40.54%	The LLP is inoperative.																		
6	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, cost of funds; and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable																		
7	Justification as to why the RPT is in the interest of the listed entity	Arrangement is commercially beneficial.																		
8	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable																		

The Directors, Key Managerial Personnel or their relatives holding shares of the Company may be, deemed to be concerned or otherwise interested in the said Ordinary Resolution only to the extent of their shareholding.

The Board recommends the Resolution at Item No. 8 of the accompanying Notice for approval by the Members of the Company.

This Additional Explanatory Statement provided for Resolution at Item No. 8 is to be read along with Common Explanatory Statement for Resolution at Item No. 8, Resolution at Item No. 9 and Resolution at Item No. 10 given after Explanatory Statement for Resolution at Item No. 7.

#### Additional Explanatory Statement Resolution at Item No. 9

Details to be placed before Members in line with the SEBI Circular are given below:

Sr. No.	Particulars	Details	
1	Type, material terms and particulars of the proposed transaction;	As detailed above. All transactions to be entered into are at arm's length.	
2	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	As mentioned in the resolution	
3	Tenure of the proposed transaction (particular tenure shall be specified);	Recurring Nature and approving overall monetary limit with each of the related party for FY 2023-24 as mentioned in the resolution and approval of authorisation so granted by this resolution shall be valid up-to ensuing Annual General Meeting till Next Annual General Meeting.	
4	Value of the proposed transaction	Not exceeding overall monetary limit as detailed mentioned in the resolution as set out at Item No. 9 for various related parties.	
5	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	For proposed transaction value may or may not exceed 10% of Annual Consolidated Turnover for each of the related party.	
		Name of Related Party	% of Annual Consolidated Turnover
		Span Bioproducts Private Limited	Approximately 202.71%
		Mr. Viral P Desai	Approximately 40.54%
		Dr. Pradip K Desai	Approximately 40.54%
		Mrs. Sujata Desai	Approximately 40.54%
6	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, cost of funds; and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable	
7	Justification as to why the RPT is in the interest of the listed entity	Arrangement is commercially beneficial.	
8	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable	

None of Directors, Key Managerial Personnel and their relatives (to the extent of their shareholding interest in the Company) except Mr. Viral Desai, Managing Director, Dr. Pradip K Desai, Director and Ms. Sujata Desai along with their relatives are concerned or interested, financially or otherwise in passing of this resolution.

The Board recommends the Resolution at Item No. 9 of the accompanying Notice for approval by the Members of the Company.

This Additional Explanatory Statement provided for Resolution at Item No. 9 is to be read along with Common Explanatory Statement for Resolution at Item No. 8, Resolution at Item No. 9 and Resolution at Item No. 10 given after Explanatory Statement for Resolution at Item No. 7.

#### Resolution at Item No. 10

Details to be placed before Members in line with the SEBI Circular are given below:

Sr. No.	Particulars	Details
1	Type, material terms and particulars of the proposed transaction;	As detailed above. All transactions to be entered into are at arm's length.
2	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	As mentioned in the resolution.
3	Tenure of the proposed transaction (particular tenure shall be specified);	Recurring Nature and approving overall monetary limit with each of the related party for FY 2023-24 as mentioned in the resolution and approval of authorisation so granted by this resolution shall be valid up-to ensuing Annual General Meeting till Next Annual General Meeting.
4	Value of the proposed transaction	Not exceeding overall monetary limit as detailed mentioned in the resolution as set out at Item No. 3 for various related parties.

5	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	For proposed transaction value may or may not exceed 10% of Annual Consolidated Turnover for each of the related party.	
		Name of Related Party	% of Annual Consolidated Turnover
		Paras Desai	Approximately 40.54%
6	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, cost of funds; and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable	
7	Justification as to why the RPT is in the interest of the listed entity	Arrangement is commercially beneficial.	
8	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable	

None of Directors, Key Managerial Personnel and their relatives (to the extent of their shareholding interest in the Company) except Mr. Paras Desai, along with his relatives are concerned or interested, financially or otherwise in passing of this resolution.

The Board recommends the Resolution at Item No. 10 of the accompanying Notice for approval by the Members of the Company.

This Additional Explanatory Statement provided for Resolution at Item No. 10 is to be read along with Common Explanatory Statement for Resolution at Item No. 8, Resolution at Item No. 9 and Resolution at Item No. 10 given after Explanatory Statement for Resolution at Item No. 7.

**General Information along with other information for the purpose of Resolution at item number 4 and 5 is provided as below.**

#### GENERAL INFORMATION

Sr. No.	Information sought	Information		
i.	Nature of Industry	The Company is engaged in manufacturing and trading activity of food processing, agriculture, healthcare, Management Consulting, Activities of Head office and life science Products, can also operate in IT Enabled Technologies and Gaming Products either on its own or through its subsidiary companies & LLPs.		
ii.	Date of Commencement of Commercial Production	The Company has started its operations from March 31, 1980.		
iii.	Financial performance of the Company	<b>Particulars</b>	<b>Amount INR in Lakhs</b>	
			<b>2023-2024</b>	<b>2022-2023</b>
		Revenue from Operations	191.45	195.90
		Profit/(Loss) before Tax	151.42	(329.76)
		Profit/(Loss) After Tax	150.99	(333.74)
		Paid-up Equity share Capital	546.17	546.17
		Reserves & Surplus	3412.07	3262.22
	Earnings per Share (In INR Actual)	2.76	(6.11)	
	Book value per share (In INR Actual)	62.47	59.73	
iv.	Export performance and net foreign exchange collaboration	The Company's export on FOB basis was Nil for 2023-24 and for 2022-23.		
v.	Foreign investments or collaborations	Nil		

#### Other Information:

i	Reasons for loss or inadequacy of profits	Businesses of Group Companies are start-ups and are in a process of getting foothold in the market. After experiencing initial "start-up challenges", Company has taken several corrective actions, like closing the operation of Agri Business, which was becoming unviable due to multiple reasons and adopting focused approach. Results of such strategic reorientation are becoming visible and reflects in improved financial performance as compared to the past years
ii	Steps taken or proposed to be taken for improvement	Company has taken strong initiatives to bring back its operation to its fullest capacity, in terms of processing volume or sales volume. Company has restructured its Agribiotech Business by closing its operation, which will result into focused activities at much lower cost. The underlying strategy to turnaround is to fully utilise the production capacities of food processing subsidiary and optimise business operations of other subsidiaries bringing in efficiency and cost reduction for making business profitable.

iii	Expected increase in production and profits in measurable terms	Company expects businesses to become more consistent and robust in the years to come. Further, various restructuring decisions and cost optimising measures taken would act as growth channel for the Company which would contribute in increased revenues and improved margins. Company is optimistic to achieve Operating Profit in its various businesses in coming years.
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**Annexure-A**

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

Name of the	Mr. Sanjay Mehta	Mr. Viral Desai	Mr. Paras Desai
<b>Date of Birth</b>	October 20, 1950	May 07, 1968	October 3, 1967
<b>Age</b>	74	56	57
<b>Qualification</b>	Commerce Graduate, Chartered Accountant, Cost & Work Accountant	B. Pharm from Manipal University, Mangalore	Production Engineer, Master of Business Administration
<b>Date of Appointment</b>	<b>August 21, 2004</b>	<b>July 01, 2003</b>	<b>November 10, 2020</b>
<b>Experience in Specific functional area</b>	A practicing Chartered Accountant at Mumbai, having post qualification experience of more than 45 years in the area of auditing, corporate advisory services in the field of domestic & international taxation, project finance, working capital appraisals, company law compliance, FEMA regulations, indirect taxes, management accounting etc. He is associated with the Company since its inception and has been providing guidance in the area of Corporate Finance, Taxation and Company Law matters.	Mr. Viral P Desai, as Managing Director of the Company has wide experience in leadership position and providing strategic guidance to the Company in addition to supervising functional-heads of sales & marketing, finance & accounts, costing, legal & regulatory compliance, logistics, product sourcing, Projects, Corporate Communications, operations of JV & Subsidiaries etc including overall management & administration of Company.	He has more than 30 years of working experience in areas of Finance, Marketing, General Administration and Strategic Planning.
<b>List of Companies in which outside directorship held</b>	1. Neogen Ionics Limited 2. Buli Chemicals India Private Limited 3. Neogen Chemicals Limited 4. Meera Industries Limited 5. Cognate Biolabs Private Limited 6. Span Finstock Private Limited	1. Span Bioproducts Private Limited 2. Athreyas wellness Private Limited 3. Biospan Contamination Control Solutions Private Limited 4. Micronclean India Private Limited 5. Surat ABO Foundation	1. Biospan Contamination Control Solutions Private Limited
<b>Membership of Committee of the Board of Director of the Company</b>	Member of Audit Committee, Nomination and Remuneration Committee, Chairman of Stakeholder Relationship Committee	Nil	Nil
<b>Membership in Committee in other Listed Companies</b>	Member of Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee of Meera Industries Limited  Chairman of Audit Committee of Neogen Chemicals Limited	Nil	Nil
<b>Relationship with other Directors, Manager and other Key Managerial Personnel</b>	Not Applicable	Mr. Viral P Desai is son of Dr. Pradip K Desai, Director of the Company.	Not Applicable
<b>No. of Shares held</b>	32,800	6,88,015	2,000

Date : August 13, 2024  
Place : Surat

For and on behalf of the Board of Directors

Urvi Shinde  
Company Secretary

Registered Office:  
9<sup>th</sup> Floor, 902 – 904, Rajhans Bonista, Behind Ram Chowk Temple, Ghod Dod Road,  
Surat – 395 007  
CIN: L74999GJ1980PLC003710

## DIRECTORS' REPORT

**To,  
The Shareholders,**

Your Directors have pleasure in presenting the 44<sup>th</sup> Annual Report of Span Divergent Limited (the Company) on the business and operations of the Company together with the Audited Financial Statements (both Standalone and Consolidated) for the year ended March 31, 2024.

### 1. FINANCIAL SUMMARY/PERFORMANCE OF THE COMPANY

The financial performance of the Company for the Financial Year ended March 31, 2024 along with corresponding figures of previous financial year is summarised below.

All amounts are in Indian Rupees in Lacs except for share data or otherwise stated.

#### a) Standalone Financial Results

Particulars	Amount (Rs. In Lacs)	
	2023 – 2024	2022 - 2023
Total Revenue	346.43	269.54
<b>Profit/(Loss) before tax, Depreciation and Finance Cost (Excluding extraordinary income/(Loss))</b>	<b>177.03</b>	<b>123.54</b>
Less: Finance Cost	-	-
<b>Profit/(Loss) before Depreciation</b>	<b>177.03</b>	<b>123.54</b>
Less: Depreciation	34.11	42.46
<b>Profit/(Loss) before exceptional item and tax</b>	<b>142.92</b>	<b>81.07</b>
Exceptional Item	8.50	(410.83)
<b>Profit/(Loss) before tax</b>	<b>151.42</b>	<b>(329.76)</b>
Income Tax Expense	0.43	3.98
<b>Profit/(Loss) for the period from continuing operations</b>	<b>150.99</b>	<b>(333.74)</b>
<b>Other comprehensive income</b>		
Remeasurement costs of post-employment benefits	(1.59)	(1.69)
Deferred tax on post-employment	0.44	0.47
Other comprehensive income for the year, net of tax	(1.15)	(1.22)
<b>Total comprehensive income for the year</b>	<b>149.83</b>	<b>(334.96)</b>
Earnings per equity share for profit from operation attributable to owners of the entity:		
Basic earnings per share	2.76	(6.11)
Diluted earnings per share	2.76	(6.11)

#### b) Consolidated Financial Performance

Consolidated Financial Statements prepared in accordance with Section 133 of the Companies Act, 2013 read with the rules made there under and Indian Accounting Standards (Ind AS) along with Auditor's Report which forms part of the Annual Report.

Consolidated Sales of your Company for the financial year ended March 31, 2024 is INR 1233.26 Lacs vis-a-vis INR 1252.48 Lacs in the previous year, registering a decrease of 1.53%. Consolidated Net Profit attributable to the owners of the Company for the financial year ended March 31, 2024 is INR 97.55 Lacs vis-a-vis INR (505.46) Lacs in the previous year, registering an increase by 119.30%.

### 2. DIVIDEND

Board after detailed deliberation and in view of accumulated losses and with a view to conserve resources considering future plans of the Company decided not to recommend any dividend for the financial year 2023 - 2024. The Dividend Distribution Policy of the Company is set out as "Annexure A". The Dividend Distribution Policy of the Company is also available at <http://span.in/wp-content/uploads/2023/02/Span-Dividend-Policy.pdf>.

### 3. TRANSFER TO RESERVES:

No amount has been transferred to Reserves for the financial year ended on March 31, 2024.

### 4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

During the Financial Year 2023-24, on standalone basis Company has earned profit of INR 150.99 Lakhs as compared to losses of INR (333.74) in previous year which included an exceptional item of Rs. 410.83 Lakhs Contributed by Impairment of capital invested in a subsidiary company, Aranya Agri Biotech LLP, resulting in Net loss of Rs. 329.76 Lakhs.

Subsequent to the sale of its IVD Business Undertaking in March 2015, Company has been operating in various business segments through specific subsidiary firms formed for each of the businesses. Company also has a Pvt Limited subsidiary Company, M/s. Biospan Contamination Control Solutions Private Limited. Company has been very vigilant and been critically reviewing each of these businesses and as a result has been restructuring its businesses, where ever needed. As part of such restructuring, Company has exited from its Plant Tissue Culture Business and discontinued operations of Aranya Agri Biotech LLP – a firm involved in Plant Tissue Culture Business and the Assets of the LLP have been classified as Asset held for Sale w.e.f. Quarter ended September-2023.

In terms of provision to sub-section (3) of the Section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries are set out in the prescribed Form AOC – 1 which forms part of the Annual Report.

The details of firms and brief status of each of subsidiaries, where Company is actively pursuing the business development are as follows:

#### **Dryfruit Factory LLP (DFFL):**

DFFL has a plant near Ahmedabad, Gujarat for processing of Raw Cashew Nuts (RCNs) into a finished cashew, whose commercial production started since second quarter of FY2018. The plant is accredited with ISO 9001:2015 and Food Safety System Certification (FSSC) 22000. DFFL has a long-term Tolling Agreement and the plant is utilizing to its full capacity.

During the year under review, the LLP yielded Total Revenue of INR 929.46 Lakhs with net loss of INR (34.63) Lakhs as against Total Revenue INR 962.36 Lakhs and net loss of INR (81.53) Lakhs in previous year. The Total Comprehensive Income of the LLP for the year ended March 31, 2024 is INR (32.77) Lakhs as against INR (80.86) Lakhs in previous year.

**Aranya Agri Biotech LLP (AABL):**

AABL had ventured in to Plant Tissue Culture Business after having acquired assets of a non-operative (but a pioneer venture in the field) unit which was in the business of Plant Tissue Culture.

AABL was involved in Plant Tissue Culture business which falls into the Agriculture Activities. Over past years, while looking at the industry scenario and outcome of the business under such scenario, Company embarked upon restructuring of AABL and had gradually discontinued its business operation. During the year under review, the LLP yielded Total Revenue of INR 46.49 Lakhs and net loss of INR (18.30) Lakhs as against Total Revenue INR 20.47 Lakhs and net loss of INR (81.48) Lakhs in previous year. The Total Comprehensive Income of the LLP for the year ended March 31, 2024 is INR (18.30) Lakhs as against INR (81.48) Lakhs in previous year. The Board had been critically reviewing the performance of the LLP and after evaluating status of the ongoing business of M/s. Aranya Agri Biotech LLP and after detailed deliberations has approved the discontinuation of operations of Aranya. As such Aranya is not a material subsidiary.

**Desai Farmharvest LLP:**

No operation has started in this LLP. At the meeting of the Board of Directors, Board has considered and accorded its consent to strike off the Company's Subsidiary LLP namely M/s. Desai Farmharvest LLP subject to fulfilment of necessary requirements. During the year under review, the LLP incurred net Profit of INR 0.87 Lakhs as against net profit of INR 0.66 Lakhs in previous year. The Total Comprehensive Income of the LLP for the year ended March 31, 2024 is INR 0.87 Lakhs as against INR 0.66 Lakhs in previous year.

**Biospan Scientific LLP (BSLLP):**

BSLLP had introduced a niche and selective product portfolio to serve Indian customers in Pharmaceutical & Biotechnology manufacturing segments.

During the year under review, the LLP yielded Total Revenue of INR 130.58 Lakhs and net profit of INR 31.95 Lakhs as against Total Revenue INR 113.50 Lakhs and net profit of INR 40.07 Lakhs in previous year. The Total Comprehensive Income of the LLP for the year ended March 31, 2024 is INR 31.95 Lakhs as against INR 40.07 Lakhs in previous year.

**Biospan Contamination Control Solutions Private Limited (BCCS):**

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

During the year under review, the Company yielded Total Revenue of INR 133.09 Lakhs and net loss of INR (52.73) Lakhs as against Total Revenue INR 116.42 Lakhs and net loss of INR (86.12) Lakhs in previous year. The Total Comprehensive Income of the Company for the year ended March 31, 2024 is INR (52.46) Lakhs as against INR (85.97) Lakhs in previous year.

**Span Diagnostics LLP:**

No operation has started in this LLP. During the year under review, the LLP incurred net loss of INR (0.08) Lakhs as against net loss of INR (0.12) Lakhs in previous year. The Total Comprehensive Income of the LLP for the year ended March 31, 2024 is INR (0.12) Lakhs as against INR (0.14) Lakhs in previous year.

**Industry Structure, Development & Outlook**

The Company has invested in the business of Food, Agriculture and Life science verticals and is operating businesses through its various Subsidiaries. Span has also through its division, started providing management consulting services to other businesses leveraging its wide industry experience. The Company is mainly providing support to all the entities in terms of business management, financial, technical and operational expertise. Additionally, it also gets involved in monitoring and guiding all the entities in various compliances, providing them vital support in networking, liasoning and building business in each of these entities. Company vigilantly monitors each subsidiary company/firm performance and takes required corrective actions and provide strategic guidance after having duly discussed and approved by the Board. Company foresees good potential and growth prospects in the two major segments it is operating through its subsidiary viz, Raw Cashew Processing and Consumables for Biotechnology / Pharmaceutic Industry. Company will continue to look for more opportunities in these segments for further consolidating the business.

**Research & Development**

Company is operating through its subsidiaries as well as considering its nature of business, it is not having any R&D activities.

**Human resources and Industrial relations**

As on March 31, 2024, Company has 6 employees. The focus of the Company is to enrich its employees by promoting learning & development and providing opportunities for enhancing their knowledge base continuously so that to make them multiskilled in current environment. The Company strives to empower its employees to take up independent responsibility and thereby reaping the benefits of diverse skills set of all employees. During the year, Company continues to have cordial and harmonious relations with its employees.

Details of Key Financial Ratios are provided in notes to financial statement.

**5. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

**6. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

Management is committed to continue maintaining Company's internal control system, which is reviewed and monitored critically. Compliance of the same is ensured with very valuable inputs from the independent directors, Internal Auditors and Statutory Auditors. Their vast experience and knowledge base has contributed tremendously in betterment of systems and processes, resulting in better internal control. Internal control system is further supported by periodic review by management and the Audit Committee. Company maintains high focus towards all regulatory compliances, which is regularly reviewed by the Board. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

**7. FIXED DEPOSITS**

Company has not accepted any fixed deposits and as such and no amount of principal or interest of fixed deposit was outstanding as of balance sheet date.

## 8. PARTICULARS OF EMPLOYEES

During the financial year 2023-24, none of the employee of the Company has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the “Annexure B” forming part of the Report. None of the employees listed in the said Annexure is related to any Director of the Company except mentioned hereunder. Remuneration of Employees of the company is as under.

Sr. No.	Employee Name	Designation	Education / Qualification	Age	Experience (In Years)	Date of Joining	Gross Remuneration paid (For the Year)	Previous Employment	Relative of any Director /Manager (Yes/No) if Yes then name of such Director and Manager
1	Paras Desai	CFO	B.E, MBA	57	31	02-07-2018	42.00 <sup>#</sup>	Arkray Health Care Pvt Ltd	No
2	Viral Desai	MD	B.Pharm	56	32	01-08-1992	33.97 <sup>#</sup>	First Employment	Yes- Dr. Pradip Desai
3	Sujata Desai	COO	B.E.	51	29	01-01-2018	29.03	Arkray Health Care Pvt Ltd	Yes- Mr. Viral Desai
4	Minesh Patel	Manage Accounts	B. Com, PGDTM	41	18	23-02-2013	8.40	Gujarat Enviro Protection Infrastructure Ltd	No
5	Mithun Chaudhary	Assistant	ITI	43	19	01-01-2018	2.18	BSNL	No
6	Urvi Shinde	Company Secretary	M.Com, C.S., LLB	37	11	09-02-2023	2.61	Suchi Industries Limited	No

# Includes retiral benefits. There were no changes in remuneration of senior management personnel during the year under review.

## 9. AUDITORS & THEIR REPORTS

### (1) Statutory Auditors:

The shareholders had approved the appointment of M/s. Y B Desai & Associates, Chartered Accountants as the Auditors of the Company for a period of five years from the conclusion of the 40<sup>th</sup> Annual General Meeting till the conclusion of the 45<sup>th</sup> Annual General Meeting.

The Auditor's Report issued by Company's Auditor M/s. Y B Desai & Associates, Chartered Accountants for the financial year 2023-2024 does not contain any qualifications, reservations or adverse remarks which requires any clarification / explanation. The Auditor's Report is enclosed with the financial statement in this Annual Report. There was no instance of fraud during the year under review, which required the statutory auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act, and the rules made thereunder. The Notes on accounts, referred to in the Auditor's Report, are self-explanatory and therefore do not call for any further comments.

### (2) Secretarial Auditors:

Pursuant to the provisions of the Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, on the recommendation of Audit Committee, the Board of Directors of the Company had appointed M/s. Mitesh Rana & Co. a firm of Company Secretaries to carry out Secretarial Audit for the year ended on March 31, 2024. The Secretarial Audit Report is annexed as “Annexure E”. The Secretarial Audit Report for the financial year ended March 31, 2024 does not contain any qualifications, reservations, adverse remarks.

On the recommendation of Audit Committee, The Board of Directors of your Company has appointed M/s. Mitesh Rana & Co., Company Secretaries, Vadodara to carry out Secretarial Audit of your Company for FY 2024 – 2025.

Your Company had complied with the provisions of Secretarial Standards on Board Meetings and General Meetings issued by the Institute of Company Secretaries of India and approved by the Central Government.

### (3) Internal Auditors:

The Board of Directors has approved the re-appointment of M/s. Christie & Co., Chartered Accountants, Surat (Firm Registration No. 101939W) as Internal Auditors of the Company for financial year 2024 – 2025.

## 10. SHARE CAPITAL

The paid-up equity capital of the Company as on March 31, 2024 was Rs. 5,46,17,470/- divided into 54,61,747 Equity Shares of Rs. 10/- each. The Company has neither issued any shares, nor granted any stock option nor sweat equity.

## 11. ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the Company's website at <http://span.in/shareholder-corner/span-divergent-limited-annual-return/>

## 12. CONSERVATION OF ENERGY

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are not given considering the fact that Company's office is an administrative office only and no manufacturing activity were carried out during the year in Company. However, in the office all the lights used are LED lights and all air-conditioners are rated 5 star and operated at optimum temperature to conserve the electricity.

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

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

## 14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR is not mandatory in terms of Section 135 of Companies Act, 2013 for the year ended on March 31, 2024 During the year under review, Board considered and approved dissolution of Corporate Social Responsibility Committee with effect from February 12, 2024 due to its non-applicability on the Company under provisions of the Companies Act, 2013 and rules framed thereunder as amended from time to time. As such the Company has formulated Corporate Social Responsibility (CSR) Policy in accordance with Section 135 of the Companies Act, 2013.



## 15. DIRECTORS/KEY MANAGERIAL PERSONNEL

Name of the Director	Designation
Mr. Sanjay Natwarlal Mehta	Director
Dr. Pradipkumar Keshavlal Desai	Director
Mr. Rajendra Chokhawala (w.e.f. January 01, 2024)	Director
Mr. Viral Pradipkumar Desai	Managing Director
Mr. Shyamal Ghosh (Up to March 31, 2024)	Independent Director
Mr. Kamlesh Maganlal Patel (Up to March 31, 2024)	Independent Director
Mr. Needamangalam Gopaldaswami (Up to March 31, 2024)	Independent Director
Mr. Jignesh Desai (w.e.f. January 01, 2024)	Independent Director
Dr. Shefali Desai	Woman Director
Mr. Paras Desai	Whole Time Director and Chief Financial Officer (CFO)
Mr. Nirav Jogani (w.e.f. January 01, 2024)	Independent Director
Ms. Urvi Shinde	Company Secretary and Compliance Officer

## 16. INDEPENDENT DIRECTORS' DECLARATION AND ITS MEETING

The Independent Directors of the Company have given the declaration and confirmation to the Company as required under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that they meet the criteria of independence and that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

The Board of Directors of the your company confirms that the Independent Directors fulfil the conditions specified in Section 149 (6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

In terms of requirements under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on February 12, 2024.

## 17. BOARD MEETINGS

An agenda of the meeting is prepared and circulated in advance to all the Directors. During the year, four Board Meetings and four Audit Committee meetings were convened and held. The details of which are given in the Corporate Governance Report along with other committee meetings. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and relaxation provided by the regulatory authorities from time to time.

## 18. BOARD EVALUATION

Pursuant to SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the corporate governance report. The Board approved the evaluation results.

None of the independent directors are due for re-appointment. During the year under review Mr. Rajendra Chokhawala, Mr. Jignesh Desai and Mr. Nirav Jogani were appointed as an Independent Director of the Company with effect from January 01, 2024. Mr. Shyamal Ghosh, Mr. Kamlesh Patel and Mr. N. Gopaldaswami were stepped down as Director of the Company upon completion of their tenure as an Independent Director with effect from March 31, 2024.

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

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

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

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

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

## 19. APPOINTMENTS

The Companies Act, 2013 provides for the appointment of the independent directors. Sub-section 10 of Section 149 of the Companies act, 2013 provides that independent director shall hold office for a term of five consecutive years on the Board of a Company; and shall be eligible for the re-appointment on passing a special resolution by the shareholders of the Company. In compliance with the aforesaid provision and subject to provision of Securities Exchange Board of India Act, 1992, Mr. Rajendra Chokhawala, Mr. Nirav Jogani and Mr. Jignesh Desai had been appointed as an Independent Directors of the Company for first term of 5 (Five) years with effect from January 01, 2024 at the Annual General Meeting of the Company held on September 28, 2023 by passing requisite resolutions separately for each Independent Director.

## 20. RETIREMENTS, RESIGNATIONS AND CHANGE IN THE DESIGNATION

- I. Mr. Sanjay Mehta, Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible for re-appointment offered himself for re-appointment at the ensuing Annual General Meeting. The retirement of Director by rotation at the ensuing Annual General Meeting is determined in accordance with the provisions of the Companies Act, 2013.

- II. Mr. Rajendra Chokhawala (DIN: 01585000), Mr. Jigneshkumar Desai (DIN: 00335703) and Mr. Nirav Jogani (DIN: 00016354) has been appointed as Non – Executive, Independent Directors of the Company with effective from January 01, 2024 at the Aannual General Meeting of the Company held on September 28, 2023.
- III. Mr. Shyamal Ghosh, Mr. Kamlesh Patel and Mr. N. Gopalaswami stepped down as Director of the Company upon completion of their tenure as an Independent Director with effect from March 31, 2024.
- IV. Mr. Rajendra Chokhawala, Non-Executive Independent Director of the Company was appointed as regular Chairman of the Board of the Company with effect from February 12, 2024 in place of Mr. N. Gopalaswami.

**21. AUDIT COMMITTEE, STAKEHOLDER RELATIONSHIP COMMITTEE NOMINATION AND REMUNERATION COMMITTEE**  
The composition of Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee and attendance of each member at the Committee meetings held during the year is stated in corporate governance report.

The Board has on recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Details of Nomination and Remuneration Policy is given in the Corporate Governance Report.

**22. VIGIL MECHANISM**

The Company has established a mechanism for employees to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy and the same has been communicated within organization.

In staying true to its values of strength, performance and passion, the Company is committed to the high standards of Corporate Governance and Stakeholders Responsibility.

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has constituted the Internal Complaints Committee to redress complaints received regarding sexual harassment. There were no cases of sexual harassment complaints received by the Company in the financial year 2023 – 24. The policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at work place is placed on website of the Company <http://span.in/wp-content/uploads/2019/09/Span-Divergent-Limited-Policy-on-Prevention-of-Sexual-Harassment.pdf>

**23. LOANS, GUARANTEES AND INVESTMENTS**

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

**24. RELATED PARTY TRANSACTIONS**

All related party transactions which were entered into during the financial year were on arm’s length basis, were in the ordinary course of business and in compliance of the provision of Section 188 of the Companies Act, 2013 and rules made there under and Listing Agreement & SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015. There were no materially significant related party transactions made by the Company with promoters, Key Managerial Personnel or other designated persons which may have potential conflict with Interest of the Company at large in accordance with provisions of the Companies Act, 2013 and rule framed thereunder. All related party transactions are placed before the Audit Committee as well as to the Board for approval. You may refer to related party transactions in note No. 25 of the Stand-Alone Financial Statements. The Company has adopted policy on Related Party Transactions and can be accessed on Company’s website at <http://span.in/wp-content/uploads/2023/02/Span-Related-Party-Transactions-Policy.pdf>.

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

**25. MANAGERIAL REMUNERATION**

Name of the Director	Designation	Remuneration in the year 2024 in Rs. Lacs	Remuneration in the year 2023 in Rs. Lacs	Sitting fees in the year 2024 in Rs. Lacs
Mr. Sanjay Mehta	Director	Nil	Nil	0.40
Dr. Pradipkumar Desai	Director	Nil	Nil	0.20
Mr. Viral Desai	Managing Director	33.97*	33.97*	Nil
Mr. Shyamal Ghosh	Independent Director	Nil	Nil	0.40
Mr. Kamlesh Patel	Independent Director	Nil	Nil	0.30
Mr. Needamangalam Gopalaswami	Independent Director	Nil	Nil	0.40
Dr. Shefali Desai	Director	Nil	Nil	0.05
Mr. Paras Desai	Chief Financial Officer and Whole Time Director	42.00*	41.92*	Nil
Mr. Nirav Jogani	Independent Director	Nil	Nil	0.05
Mr. Jignesh Desai	Independent Director	Nil	Nil	0.05
Mr. Rajendra Chokhawala	Independent Director	Nil	Nil	0.05
Ms. Urvi Shinde	Company Secretary and Compliance Officer	2.61*	0.47*	NA

*\*(i) Includes provision of superannuation, Gratuity and contribution to Provident Fund.*

The median remuneration of the employee of the Company for the year 2023-24 is Rs. 18,71,409 as against Rs. 7,60,002 for the year 2022 - 23. There were 6 employees on rolls of the Company at the end of the financial year i.e March 31, 2024. In order to ensure that remuneration reflects company performance, the performance pay was linked to functional and organization performance.

Sr. No	Name of Director	Remuneration	Ratio of Remuneration to the median remuneration of the employees
1	Mr. Viral P Desai	33.97	1.82
2	Mr. Paras Desai	42.00	2.24

On the recommendation of Nomination and Remuneration Committee of the Company, Board has approved appointment of Mr. Viral P Desai as Managing Director of the Company with effect from July 01, 2022 for a further period of three years at remuneration sanctioned by the

shareholders of the Company. During the year under review, there was no increase in remuneration of the Managing Director Mr. Viral P Desai who is reappointed for a further period of 3 years with effect from July 01, 2022.

Further information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company will be provided upon request. The information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the “**Annexure B**” forming part of the Report.

**26. AUDITORS’ CERTIFICATE ON CORPORATE GOVERNANCE**

A report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 forms part of the Annual Report. The certificate received from the M/s. Mitesh Rana & Co. confirming compliance with conditions of Corporate Governance Report is attached to this report.

**27. MATERIAL CHANGE & COMMITMENTS, IF ANY**

There is no material changes and commitments, that would affect financial position of the Company at the end of the financial year of the company to which the financial statements relate and the date of director’s report.

**28. COST AUDITORS**

Cost Audit is not applicable to the Company for the year 2023 – 2024. Hence No appointment of Cost Auditor was required to be made.

**29. RISK MANAGEMENT**

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks is getting managed within a unitary framework. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time is getting embedded into the Company’s business systems and processes, such that our responses to risks remain current and dynamic. The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company’s process and policies for determining risk tolerance and review management’s measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

**30. DIRECTORS’ RESPONSIBILITY STATEMENT**

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The directors have selected such accounting policies and applied them consistently and made judgements and estimates those 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 and of the profit and loss of the Company for the year under review;
- (c) 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) The directors have prepared the annual accounts on a going concern basis;
- (e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**31. CHANGE IN NATURE OF BUSINESS**

During the year under review, there had been no change in the Company’s nature of business.

**32. CHANGE IN REGISTRAR AND TRANSFER AGENT**

During the year 2020-2021, M/s. Accurate Securities and Registry Private Limited, had been appointed as Registrar and Transfer Agent of the Company in place of M/s. Link Intime India Private Limited. Company had also completed execution of tripartite agreement with New Registrar and Transfer Agent, i.e. M/s. Accurate Securities and Registry Private Limited and old Registrar and Transfer Agent M/s. Link Intime India Private Limited. There was no change in Registrar and Transfer Agent of the Company during 2023 – 2024.

**Shareholders are requested to make all communication to Company’s New Registrar and Transfer Agent M/s. Accurate Securities and Registry Private Limited as under mention address:**

**M/s. Accurate Securities and Registry Private Limited,**

**Unit: Span Divergent Limited**

**B1105 – 1108, K P Epitome, Nr. Makarba Lake, Nr. Siddhi Vinayak Towers, Makarba, Ahmedabad – 380 051**

**Telephone No.: +91-79-48000319, Email: investor@accuratesecurities.com Website: www.accuratesecurities.com**

**33. Other Disclosures:**

- a) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trusts for the benefits of employees.
- b) Neither the Managing Director nor the Whole Time Directors of the Company have received any remuneration or commission from any of its subsidiaries.
- c) No fraud has been reported by the Auditors to the Audit Committee or the Board.
- d) Neither an application was made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
- e) No settlement has been done with Banks or financial institutions.

**34. 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 substantially or materially from those either expressed or implied in the statement depending on the circumstances.

### 35. ACKNOWLEDGMENT

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 HDFC Bank and Government Authorities for their co-operation and assistance rendered to the Company.

**For and on behalf of the Board of Directors  
Span Divergent Limited**

**Date: May 16, 2024  
Place: Surat**

**Viral P Desai  
Managing Director  
DIN: 00029219**

**Dr. Pradip K Desai  
Non-Executive Director  
DIN: 00026451**

### ANNEXURE A TO THE DIRECTORS' REPORT – DIVIDEND DISTRIBUTION POLICY

#### OBJECTIVE

The objective of this policy is to establish the principles and criteria to be considered by the Board of Directors prior to recommending dividend to the Equity Shareholder of Span Divergent Limited.

The policy is framed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has a consistent dividend policy and has endeavoured to judiciously balance rewarding shareholder through dividends whilst supporting future growth and long-term interests of the Company and its stakeholders.

#### PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board of Directors shall inter alia consider the following parameters before recommending dividend:

##### Statutory and Regulatory Parameters

The Company shall declare dividend only after ensuring compliance with requisite regulations and provisions of the Companies Act, 2013 and rules made there under, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and any other regulations as may be applicable from time to time.

The Board will consider various parameters as mentioned below before arriving at a decision on declaration of dividend:

<b>Financial Parameters</b>	<b>External Factors</b>
<ul style="list-style-type: none"><li>➤ Profits earned during the financial year</li><li>➤ Accumulated reserves</li><li>➤ Funding and liquidity considerations</li><li>➤ Profitability outlook for the next two/three years</li><li>➤ Leverage ratios</li><li>➤ Other factors and/or material events which the Board may consider</li></ul>	<ul style="list-style-type: none"><li>➤ Shareholder expectations, including individual shareholders</li><li>➤ Taxation provisions</li><li>➤ Macro and Micro Economic conditions</li><li>➤ Government policies</li><li>➤ Any other factors and / or material events which the board may consider</li></ul>

#### UTILISATION OF RETAINED EARNINGS

Retained earnings shall be utilised in accordance with prevailing regulatory requirements, creating reserves for specific objectives, fortifying the balance sheet against contingencies, generating higher returns for shareholders through reinvestment of profits for future growth and expansion and any other specific purpose as approved by the Board. The Company shall endeavour to utilise retained earnings in a manner that shall be beneficial to both, the interests of the Company and its stakeholders.

#### DIVIDEND AND CLASSES OF SHARES

The Board may declare interim or recommend final and/or special dividend as may be permitted under the Companies Act, 2013 or any amendment, modification, variation or re-enactment thereof.

Currently, the Company does not have any other class of shares (including shares with differential voting rights) other than equity shares.

#### DIVIDEND PAYOUT RATIO

The Company has followed a stable dividend policy in the past and strives to maintain a consistent dividend payout ratio.

#### CONFLICT IN POLICY

In the event of a conflict between this policy and the then existing regulations, the regulations shall prevail.

#### AMENDMENTS

To the extent any change/amendment is required in terms of applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be suitably modified to make it consistent with the law. Such amended policy shall be placed before the Board for noting and necessary ratification.

#### REVIEW OF POLICY

The Board shall review the Dividend Distribution Policy of the Company periodically.

#### DISCLOSURE OF POLICY

The Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website <http://span.in/wp-content/uploads/2023/02/Span-Dividend-Policy.pdf>.

**For and on behalf of the Board of Directors  
Span Divergent Limited**

**Date: May 16, 2024  
Place: Surat**

**Viral P Desai  
Managing Director  
DIN: 00029219**

**Dr. Pradip K Desai  
Non-Executive Director  
DIN: 00026451**

**ANNEXURE B TO THE DIRECTORS' REPORT**

[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Management Personnel Rules, 2014)]

- a. **The ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year and the percentage increase in remuneration of each Director in the financial year are as mentioned below:**

The median remuneration of the employees of the Company for the financial year is INR 18, 71,409.

Name of Directors	Position	Ratio to Median Remuneration	% Increase in remuneration in the financial year
Dr. Pradipkumar Desai	Non-Executive Director	--	--
Mr. Rajendra Chokhawala	Non-Executive Director	--	--
Mr. Sanjay Mehta	Non-Executive Director	--	--
Mr. Jignesh Desai	Non-Executive Director	--	--
Mr. Shyamal Ghosh	Non-Executive Director	--	--
Mr. Kamlesh Patel	Non-Executive Director	--	--
Mr. Needamangalam Gopalaswami	Non-Executive Director	--	--
Dr. Shefali Desai	Non-Executive Director	--	--
Mr. Nirav Jogani	Non-Executive Director	--	--
Mr. Viral P Desai*#	Managing Director	1.82	NIL
Mr. Paras Desai #	Whole Time Director and CFO	2.24	NIL

\*There is no increase in remuneration paid to Mr. Viral P Desai who is reappointed for a further period of 3 years with effect from July 01, 2022. # Includes provision of superannuation (in case of Mr. Viral Desai), Gratuity and contribution or Provident Fund.

- b. **The percentage increase in remuneration of Chief Financial Officer and Company Secretary in the financial year:**

Chief Financial Officer and Company Secretary	% Increase in remuneration in the financial year
Mr. Paras Desai	Nil
Ms. Urvi Shinde	Nil

- c. **The percentage increase in the median remuneration of employees in the financial year:** 146%
- d. Above figures given here as compared to previous year median is not strictly comparable, since there is changes in the total salary component and number of employees with total number of employees are 6.
- e. **The number of permanent employees on the rolls of the Company:** 6
- f. **Average percentile increases already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
- g. The average increase in the salaries of employees other than managerial personnel in the last financial year was around 44.59 % and the average in the remuneration of managerial personnel in the last financial year was around 0.84 % compare to last financial year.

The remuneration for non-managerial employees is in line with normal pay revision and variable component is forming integral part of the remuneration which is linked to individual performance, employee satisfaction, retention of key employees apart from Company's performance as a whole.

The Profit after tax for the year 2023-24 is INR 150.98 Lakhs (including exceptional item). The employees' related cost is INR 117.50 Lakhs.

- h. **Affirmation that the remuneration is as per the remuneration policy of the Company.**

The Company affirms that the remuneration paid are as per the remuneration policy of the Company.

**For and on behalf of the Board of Directors  
Span Divergent Limited**

Date: May 16, 2024

Place: Surat

Viral P Desai  
Managing Director  
DIN: 00029219

Dr. Pradip K Desai  
Non-Executive Director  
DIN: 00026451

**ANNEXURE C TO THE DIRECTORS' REPORT**

**Particulars with respect to Absorption of Technology, Research & Development (R & D)**

1. **Specific areas in which R&D was carried out by the Company and benefits derived as a result of the above R & D:**

During the year under review, there is no manufacturing as well as R & D activity carried out.

**Expenditure on R & D** – Not Applicable

2. **Technology absorption, adaptation and innovation**

**Efforts in brief, made towards technology absorption, adaptation and innovation:** Not Applicable

**Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.:** Not Applicable

3. **Foreign Exchange Earning and Outgo**

Sr. No.	Particulars	2023 – 2024	2022 – 2023
1	Total Foreign Exchange Earned	Nil	Nil
2	Total Foreign Exchange Outgo	Nil	Nil

**For and on behalf of the Board of Directors  
Span Divergent Limited**

Date: May 16, 2024

Place: Surat

Viral P Desai  
Managing Director  
DIN: 00029219

Dr. Pradip K Desai  
Non-Executive Director  
DIN: 00026451

**ANNEXURE D TO THE DIRECTORS' REPORT**  
**Form No. AOC – 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

**Form for disclosure of particulars of contracts/arrangement entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.**

**Details of contracts or arrangements or transactions not at arm's length basis:**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or Arrangement or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as require under first provision to section 188
Not Applicable							

\*During the Financial Year 2023-2024, no contract or arrangement or transaction was entered into by the company with the related parties which is not at arm's length basis.

**Details of material contracts or arrangement or transactions at arm's length basis:**

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements/ transactions	Duration of the contracts /arrangements	Salient terms of the contracts or Arrangement or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
Ms. Sujata Desai, Relative of Director	Payment of remuneration in FY23-24 to Ms. Sujata Desai, Chief Operating Officer, Rs. 29,03,000 (an amount not exceeding INR 45,00,000 per Annum)	2022-2023 to 2024-2025	Payment of Remuneration not exceeding INR 45,00,000 per Annum	May 13, 2022	Nil

Note: During the year under review, no material transactions, contracts or arrangements {as defined under the listing Agreement or which were above the threshold limits mentioned under Rule 15 of the Companies (Meetings of Board & its Powers) Rules, 2014} were entered with the related parties by the Company. **For details on related party transactions, members may refer to the notes to the standalone financial statement.**

**For and on behalf of the Board of Directors**  
**Span Divergent Limited**

**Date: May 16, 2024**

**Place: Surat**

**Viral P Desai**  
**Managing Director**  
**DIN: 00029219**

**Dr. Pradip K Desai**  
**Non-Executive Director**  
**DIN: 00026451**

**ANNEXURE E TO THE DIRECTOR'S REPORT**  
**Form No. MR – 3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**To,**  
**The Members,**  
**Span Divergent Limited**  
**Surat**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Span Divergent Limited** (hereinafter referred to as "**Company**") for financial year ended on March 31, 2024. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

**Unmodified Opinion:**

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by **Span Divergent Limited** ("**Company**") for the financial year ended on March 31, 2024, according to the provisions of:

- i. The Companies Act, 2013 (**the Act**), and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under including amendments and enactment thereof
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – Not applicable for External Commercial Borrowings as there was no reportable event during the financial year under review
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to the extent applicable to the Company:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021; **Not applicable as there was no reportable event during the financial year under review;**
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; – **Not applicable as there was no reportable event during the financial year under review;**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client - **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not applicable as there was no reportable event during the financial year under review;**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **Not Applicable. The Company did not buy back any shares / securities during the year under review.**

**We further report that**, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test – check basis, the Company has complied with the following laws applicable specifically to the Company to the extent applicable to the Company:

- (1) The Indian Copyright Act, 1957 (2) The Patents Act, 1970 (3) The Trade Marks Act, 1999

We have also examined compliance with the applicable clauses of the following:

1. Applicable Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Equity Listing Agreements entered into by the Company with the BSE Limited read with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

During the period under review, prima facie, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned herein above.

We further report that based on the information provided by the Company, its officers and authorised representative during the conduct of the audit, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and the rules made thereunder.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. All the decision at the Board meetings were passed unanimously and with the requisite majority at the Annual General Meeting held during 2023 – 2024.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company, no events occurred which had bearing on Company's affairs in pursuance of above referred laws, rules, regulations, standards etc.

We further report following during the audit period of the Company:

- I. Mr. Rajendra Chokhawala, Mr. Jignesh Desai and Mr. Nirav Jogani were appointed as Independent Director of the Company with effect from January 01, 2024.
- II. Mr. Kamlesh Patel, Mr. Shyamal Ghosh and Mr. N. Gopaldaswami, were stepped down from directorship of the Company with effect from March 31, 2024 upon completion of their second term as an Independent Director.

**For Mitesh Rana & Co.,  
Company Secretaries**

**Date: May 16, 2024  
Place: Surat**

**Mitesh Rana  
Proprietor  
ACS M. No.: 28113  
COP: 12364  
PR No.: 1430/2021  
UDIN: A028113F000384271**

**Note:** This report is to be read with our letter of even date which is annexed as "Annexure A" forming an integral part of this report.



**Annexure A**

**To,  
The Members  
Span Divergent Limited  
Surat**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Mitesh Rana & Co.,  
Company Secretaries**

**Date: May 16, 2024  
Place: Surat**

**Mitesh Rana  
Proprietor  
ACS M. No.: 28113  
COP: 12364  
PR No.: 1430/2021  
UDIN: A028113F000384271**

**CORPORATE GOVERNANCE CERTIFICATE**

**To,  
The Members  
Span Divergent Limited**

We have examined the compliance of the conditions of Corporate Governance by Span Divergent Limited for the year ended March 31, 2024 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all mandatory conditions of Corporate Governance as stipulated in the above - mentioned Listing Regulations.

We state that in respect of investor grievances received during the year ended March 31, 2024, no investor grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

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.

**Date: May 16, 2024  
Place: Surat**

**For Mitesh Rana & Co.,  
Company Secretaries**

**Mitesh Rana  
Proprietor  
ACS M. No.: 28113  
COP: 12364  
PR No.: 1430/2021  
UDIN: A028113F000384251**



## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Business objectives of Span Divergent Limited (Span), its management and its employees are to ensure that Company does business in such a way as to create value that can be sustained over the long term 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 eco-systems need specific solution to meet demand of legal compliances and regulations. However, there is a single thread which runs through the tapestry of governance which ensures that the affairs of a Company be controlled and regulated in a manner which is transparent, ethical and accountable.

### BOARD OF DIRECTORS

(i). As on March 31, 2024, the Board of Directors is consisting of 8 (Eight) Directors with a Managing Director, Whole Time Director, Three Independent Non-Executive Directors, Two Non-Independent Non-Executive Director and One Woman Non-Independent Non-Executive Director. The Composition of Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the BSE Limited.

(ii). None of the Directors on the Company's Board is holding office of the Director in more than 20 (twenty) Companies including 10 (ten) Public Companies. Directors are also not holding office of Director in more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees across all the listed companies in which he/she acts as a director. Necessary disclosures regarding committee positions in other listed public companies as on March 31, 2024 have been made by directors.

(iii). Independent directors are non-executive directors as defined under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have given declaration confirming that they meet the criteria as mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.

A brief resume of the directors being re-appointed at the annual General Meeting, the nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership of the committees of the Board, is annexed to the Notice convening Annual General Meeting.

### Composition, Attendance at the Board Meetings during FY 2023-24 and the last Annual General Meeting, outside directorship and Membership / Chairmanship of Board Committees of other Companies for the year ended / as at March 31, 2024

Director	No. of Board Meetings attended	Attendance at last AGM	No. of outside Directorship held	Number of Memberships / Chairmanship in Audit / Stakeholder Committee(s) including this listed entity (Refer Regulation 26(1) of Listing Regulations) as at March 31, 2024		Executive, Non-Executive / Independent	Number of Shares held
				Chairmanship	Membership		
Mr. N Gopalaswami	4	Yes	Nil	Nil	Nil	Independent Non-Executive Director	Nil
Dr. Pradip Desai	4	Yes	4	Nil	1	Promoter & Non-Executive Director	23,35,806
Mr. Viral Desai	4	Yes	5	Nil	Nil	Promoter & Executive Director	6,88,015
Mr. Sanjay Mehta	4	Yes	6	2	5	Non-Executive Director	32,800
Mr. Rajendra Chokhawala	1	NA	7	1	2	Independent Non-Executive Director	Nil
Mr. Paras Desai	4	Yes	1	Nil	Nil	Whole Time Director and CFO	2,000
Mr. Shyamal Ghosh	4	Yes	Nil	Nil	Nil	Independent Non-Executive Director	Nil
Mr. Kamlesh M Patel	4	Yes	1	Nil	Nil	Independent Non-Executive Director	Nil
Mr. Jignesh Desai	1	NA	8	Nil	1	Independent Non-Executive Director	Nil
Dr. Shefali Desai	1	No	Nil	Nil	1	Non-Executive Director	2000
Mr. Nirav Jogani	1	NA	9	Nil	1	Independent Non-Executive Director	Nil

- Note:**
- This excludes directorship in the Company, overseas Companies and partnership in LLPs.
  - Chairmanship & Membership in other Board Committee for Audit Committee & Stakeholders Relationship Committee of Listed Companies only provided.
  - Mr. Viral P Desai and Dr. Pradip K Desai are relatives in terms of Section 2(77) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014.
  - Mr. N. Gopalaswami, Mr. Shyamal Ghosh and Mr. Kamlesh Patel stepped down from Directorship of the Company with effect from March 31, 2024 upon completion of their second term as an Independent Director.
  - Mr. Rajendra Chokhawala, Mr. Jignesh Desai and Mr. Nirav Jogani were appointed as an Independent Directors of the Company with effect from January 01, 2024.

**Directorship in Listed Companies as on March 31, 2024:**

Sr. No	Name of Director	Name of Listed Company	Category of Directorship
1	Mr. Rajendra Chokhawala*	Span Divergent Limited	Independent Non-Executive Director, *Chairman
2	Dr. Pradip K Desai	Span Divergent Limited	Non-Independent Non-Executive Director
3	Mr. Viral P Desai	Span Divergent Limited	Non-Independent Executive Director
4	Mr. Sanjay N Mehta	Span Divergent Limited	Non-Executive Director
		Neogen Chemicals Limited	Independent Non-Executive Director
		Meera Industries Limited	Independent Non-Executive Director
5	Mr. Jignesh Desai*	Span Divergent Limited	Independent Non-Executive Director
6	Mr. Nirav Jogani*	Span Divergent Limited	Independent Non-Executive Director
7	Mr. Paras Desai	Span Divergent Limited	Whole Time Director and CFO
8	Dr. Shefali Desai	Span Divergent Limited	Non-Independent Non-Executive Director
9	Mr. N. Gopaldaswami**	Span Divergent Limited	Independent Non-Executive Director
10	Mr. Shyamal Ghosh**	Span Divergent Limited	Independent Non-Executive Director
11	Mr. Kamlesh Patel**	Span Divergent Limited	Independent Non-Executive Director

\* Mr. Rajendra Chokhawala, Mr. Jignesh Desai and Mr. Nirav Jogani were appointed as an Independent Directors of the Company with effect from January 01, 2024. Mr. Rajendra Chokhawala was appointed as Chairman of the Board of Company with effect from February 12, 2024.

\*\*Mr. N. Gopaldaswami, Mr. Shyamal Ghosh and Mr. Kamlesh Patel stepped down from Directorship of the Company with effect from March 31, 2024 upon completion of their second term as Independent Directors.

**Details of Board Meetings held during the year are as under:**

Date	Board Strength	No. of Directors present
May 22, 2023	8	8
August 10, 2023	8	6
November 09, 2023	8	7
February 12, 2024	11	10

**Matrix highlighting core skills/expertise/competencies of the Board of Directors:**

The Board of Directors' have identified the following skills required for the Company and the availability of such skills with the Board:

Sr. No.	Name of Director	Skills/Expertise/Competencies						
		Knowledge & Experience	Management/ Administration /Leadership	Personal Values	Corporate Governance	Understanding of Finance & Accounting	Vision & Strategic Planning	Information Technology
1	Mr. Rajendra	√	√	√	√	√	√	√
2	Dr. Pradip K Desai	√	√	√	√	√	√	√
3	Mr. Viral P Desai	√	√	√	√	√	√	√
4	Mr. Sanjay N Mehta	√	√	√	√	√	√	√
5	Mr. Jignesh Desai	√	√	√	√	√	√	√
6	Mr. Paras Desai	√	√	√	√	√	√	√
7	Mr. Nirav Jogani	√	√	√	√	√	√	√
8	Dr. Shefali Desai	√	√	√	√	√	√	√
9	Mr. N. Gopaldaswami (up to March 31, 2024)	√	√	√	√	√	√	√
10	Mr. Shyamal Ghosh (up to March 31, 2024)	√	√	√	√	√	√	√
11	Mr. Kamlesh Patel (up to March 31, 2024)	√	√	√	√	√	√	√

Above skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills / experience listed therein. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come. We confirm that in the opinion of the board, the independent directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. Mr. N. Gopaldaswami, Mr. Shyamal Ghosh and Mr. Kamlesh Patel stepped down from Directorship of the Company with effect from March 31, 2024 upon completion of their second term as an Independent Director. Mr. Rajendra Chokhawala, Mr. Jignesh Desai and Mr. Nirav Jogani were appointed as an Independent Directors of the Company with effect from January 01, 2024 at the Annual General Meeting of the Company held on September 28, 2023.

**FAMILIARIZATION PROGRAMMES**

The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programmes / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

Such programmes / presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time. The programmes/presentations also familiarise the Independent Directors with their roles, rights and responsibilities.

When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairperson, Managing Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities. Weblink for details of familiarization programmes is <https://span.in/wp-content/uploads/2024/08/28.-Familiarisation-Programmes.pdf>.

## CONFIRMATION ON THE INDEPENDENCE OF THE INDEPENDENT DIRECTORS

The Board of Directors hereby confirms that in their opinion, the Independent Directors fulfil the conditions specified in the SEBI Regulations, 2015 and are Independent of the Management.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Agreement and Disclosures Requirements) Regulation, 2015, the Board has carried out the Annual Performance Evaluation of its own performance, the Directors Individually as well as the evaluation of working of its various committees. A separate exercise was carried out to evaluate the performance of Individual Directors including Chairman of the Board who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding interest of the Company and its minority shareholders. The performance evaluation of the Chairman and the Non-Independent Director was carried out by the Independent Director including overall performance of the Board as whole at the meeting of Independent Directors held during the year under review and by Board as whole.

## VARIOUS COMMITTEES, ITS COMPOSITION, MEETINGS HELD AND ATTENDEES RELATED INFORMATION:

Name	Designation	Audit Committee Meeting			Nomination and Remuneration Committee Meeting			Stakeholder Relationship Committee Meeting		
		Meeting Dates: May 22, 2023, August 10, 2023, November 09, 2023, February 12, 2024			Meeting Dates: August 10, 2023			Meeting Dates: May 22, 2023, August 10, 2023, November 09, 2023, February 12, 2024		
		Member	No. of meetings held	No. of meetings attended	Member	No. of meetings held	No. of meetings attended	Member	No. of meetings held	No. of meetings attended
Mr. Shyamal Ghosh (up to February 12, 2024)	Independent Non-Executive Director	Chairman	4	4	Chairman	1	1	No	-	-
Mr. N. Gopaldaswami (up to February 12, 2024)	Independent & Non-Executive Director	Yes	4	4	Yes	1	1	No	-	-
Mr. Sanjay Mehta	Non-Executive Director	Yes	4	4	Yes	1	1	Chairman*	4	4
Mr. Kamlesh Patel (up to February 12, 2024)	Independent Non-Executive Director	Yes	4	3	No	-	-	Chairman	4	3
Dr. Pradip Desai	Non-Executive Director	No	-	-	No	-	-	Yes	4	4
Dr. Shefali Desai	Non-Executive Director	No	-	-	No	-	-	Yes	4	1
Mr. Rajendra Chokhawala (w.e.f. February 12, 2024)	Independent Non-Executive Director	Chairman	4	Nil	Yes	-	-	Yes	4	Nil
Mr. Jignesh Desai (w.e.f. February 12, 2024)	Independent Non-Executive Director	Yes	4	Nil	No	-	-	No	-	-
Mr. Nirav Jogani (w.e.f. February 12, 2024)	Independent Non-Executive Director	Yes	4	Nil	Chairman	-	-	No	-	-

\*Mr. Sanjay Mehta was appointed as a Chairman of Stakeholder and Relationship Committee of Board of Directors of the Company with effect from February 12, 2024.

## AUDIT COMMITTEE

During the year under review, subsequent to changes in independent director of the Company, the Audit Committee which was constituted on May 23, 2014, is reconstituted on February 12, 2024 in adherence with provisions of the Companies Act, 2013 and SEBI LODR Regulations. Ms. Urvi Shinde, Company Secretary of the Company acts as the Company Secretary to the Audit Committee. At present, Audit Committee comprises of following Directors:

(i) Mr. Rajendra Chokhawala, Independent Non-Executive Director, Chairman (ii) Mr. Jignesh Desai, Independent Non-Executive Director (iii) Mr. Nirav Jogani, Independent Non-Executive Director and (iv) Mr. Sanjay Mehta, Non-Independent Non-Executive Director

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations, 2015). Apart from the above, the Committee also carries out such functions/responsibilities entrusted on it by the Board of Directors from time to time.

The brief description of the Powers of Audit Committee is as under:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee which was constituted on May 23, 2014, is reconstituted on February 12, 2024 subsequent to changes in Independent Directors of the Company during the year under review. At present, Nomination and Remuneration Committee comprises of following Directors:

(i) Nirav Jogani, Independent Non-Executive Director, Chairman (ii) Mr. Rajendra Chokhawala, Independent Non-Executive Director and (iii) Mr. Sanjay Mehta, Non-Independent Non-Executive Director

The main term of reference of Nomination and Remuneration Committee is to review and recommend the revision in remuneration of managerial personnel to the Board of Directors. The Nomination and Remuneration Committee while reviewing the remuneration considers the industry remuneration standards, educational qualification, relevant experience and performance of the concerned managerial personnel vis-à-vis the Company Requirements. The Role of the Committee is in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 read with the rules made thereunder and Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations, 2015).

**Details of remuneration paid to all Directors 2023 – 2024 (Value in Rs. Lakhs):**

Name of the Director	Sitting Fee	Salary, Allowances & Perquisites	Contribution to Provident Fund and other funds & Retrial Benefits	Commission	Total
Mr. Sanjay Mehta	0.40	Nil	Nil	Nil	0.40
Dr. Pradipkumar Desai	0.20	Nil	Nil	Nil	0.20
Mr. Rajendra Chokhawala	0.05	Nil	Nil	Nil	0.05
Mr. Jignesh Desai	0.05	Nil	Nil	Nil	0.05
Mr. Viral Desai	Nil	30.19	3.78	Nil	33.97
Mr. Paras Desai	Nil	39.93	2.07	Nil	42.00
Mr. Shyamal Ghosh	0.40	Nil	Nil	Nil	0.40
Mr. Kamlesh Patel	0.30	Nil	Nil	Nil	0.30
Mr. Needamangalam	0.40	Nil	Nil	Nil	0.40
Dr. Shefali Desai	0.05	Nil	Nil	Nil	0.05
Mr. Nirav Jogani	0.05	Nil	Nil	Nil	0.05

The Company has formulated the Nomination and Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. NRC Policy determines the criteria of appointment to the Board including Independent Directors, manner of selection of Board of Directors, Key Managerial Personnel, Senior Management and their remuneration. The Policy is available on the website of the Company and the web-link for the same is <https://span.in/wp-content/uploads/2024/04/Nomination-and-Remuneration-Policy.pdf>.

There were no changes in senior management since the close of the previous financial year except changes in composition of Board of Directors of the Company during the year under review.

**STAKEHOLDER RELATIONSHIP COMMITTEE**

The Company has re-constituted Stakeholder Relationship Committee on January 12, 2024. The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. At present, the Stakeholder Relationship Committee comprises of following Directors:

(i) Mr. Sanjay Mehta, Non-Executive Director, Chairman (ii) Dr. Pradipkumar Desai, Non-Independent Non-Executive Director (iii) Mr. Rajendra Chokhawala, Independent Director and (iv) Dr. Shefali Desai, Non-Independent Non-Executive Director

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI Listing Regulations, 2015. Ms. Urvi Shinde is Company Secretary and Compliance Officer of the Company.

The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipts of annual report and non-receipts of declared dividends etc through Registrar and Transfer Agent and Company.

There were no complaints received from shareholders / investors during the year 2023-2024 and no investor complaint was pending at the beginning or at the end of the year.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

CSR is not mandatory in terms of Section 135 of Companies Act, 2013 for the year ended on March 31, 2024. During the year under review, Board considered and approved dissolution of Corporate Social Responsibility Committee with effect from February 12, 2024 due to its non-applicability on the Company under provisions of the Companies Act, 2013 and rules framed thereunder as amended from time to time. No Meeting of CSR Committee were held during the year under review. AS such Company has formulated Corporate Social Responsibility (CSR) Policy in accordance with Section 135 of the Companies Act, 2013.

**RISK MANAGEMENT COMMITTEE**

Company was not required to constitute Risk Management Committee in terms of requirement of SEBI Listing Regulations.

**GENERAL BODY MEETING**

**D) Location and time of last three Annual General Meetings & Special/Ordinary Resolutions passed in previous three Annual General Meetings were as under:**

Year	Venue	Date	Time	Special Resolution passed
2022-23	Through Video Conference / Other Audio-Visual Mode	September 28, 2023	11:30 a.m.	- Approval for Related Party Transaction(s) - Continuation of directorship of Dr. Pradip K Desai (DIN: 00026451), Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Appointment of Mr. Rajendra N Chokhawala (DIN: 01585000) as an Independent Non-Executive Director of the Company - Appointment of Mr. Jigneshkumar R Desai (DIN: 00335703) as an Independent Non-Executive Director of the Company - Appointment of Mr. Nirav D Jogani (DIN: 00016354) as an Independent Non-Executive Director of the Company

2021-22	Through Video Conference / Other Audio-Visual Mode	September 29, 2022	11:30 a.m.	-Re-appointment of Mr. Viral Pradipkumar Desai (DIN: 00029219) as a Managing Director of the Company -Payment of Remuneration to Ms. Sujata Desai, COO (Chief Operating Officer) -Revision in remuneration being paid to Mr. Paras Desai, CFO and Whole Time Director of the Company -Approval for Related Party Transaction(s)
2020-21	Through Video Conference / Other Audio Visual Mode	September 27, 2021	11:30 a.m.	-Regularization and appointment of Mr. Paras Desai (DIN 08293906) as a Whole Time Director designated as Executive Director and Chief Finance Officer (CFO) and payment of remuneration

**II) Whether any special resolution passed last year through postal ballot – details of voting pattern:** None

**III) Person who conducted the postal ballot exercise:** Not Applicable

**IV) There was no resolution proposed to be conducted through postal ballot.**

**V) Procedure for postal ballot:** Not applicable

#### **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. 25 to the Financial Statements for details of transactions with the related parties. During the year 2023 - 24, no transactions of material nature have been entered into by the Company with the Promoters or Directors or Management, their subsidiaries or their relatives that is in potential conflict with the interests of the Company. Policy on dealing with related party transaction as well as Policy for determining material subsidiaries is provided at <http://span.in/wp-content/uploads/2023/02/Span-Related-Party-Transactions-Policy.pdf> and [https://span.in/wp-content/uploads/2024/08/Policy-for-Material-Subsidiary\\_Span.pdf](https://span.in/wp-content/uploads/2024/08/Policy-for-Material-Subsidiary_Span.pdf) respectively. There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or 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 senior management and the code of conduct has been put on the Company's website <http://span.in/shareholder-corner/code-of-conduct/>. 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 2023 - 2024.

**Viral P Desai**

**Managing Director**

**DIN 00029219**

There is no inter relationship between the Directors of the Company except Mr. Viral P Desai, Dr. Pradip K Desai who are relative of each other.

#### **Whistle Blower Mechanism/Vigil Mechanism**

The Company has established a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and the same has been communicated within organization. During the year under review, Company has not received any complaint. Company also affirms that no personnel has been denied access to the audit Committee. The Company has complied with the mandatory requirements of Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 providing for corporate governance. In view of elaborate disclosure requirement under listing agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, publication of un-audited financial statements along with major developments every quarter and considering size of the Company, the Company has not gone for implementation of all non-mandatory requirements. The Company will consider their adoption at an appropriate stage. The Company complies with all mandatory requirements of the SEBI Listing Regulations, 2015 with regard to Corporate Governance.

#### **Reconciliation of share capital audit:**

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital of the Company. The audit report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### **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 Financial Express, Ahmedabad and Dhabkar, Surat and they are also posted on Company's website. Official news releases and presentations, if any, made to analyst are sent to the stock exchange at Mumbai, where shares of the Company are listed.

#### **CERTIFICATE ON CORPORATE GOVERNANCE**

Certificate from the Mitesh Rana & Co., Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is attached to the Directors' Report forming part of the Annual Report.

#### **CEO/CFO CERTIFICATION**

The Managing Director of the Company and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **INSTANCES OF NOT ACCEPTING ANY RECOMMENDATION OF THE COMMITTEE BY THE BOARD:**

There was no such instance where Board had not accepted any recommendation of any committee of the Board, whether mandatorily required or not, in the relevant financial year.

## GENERAL SHAREHOLDER INFORMATION

### (a) Annual General Meeting

Day, Date, Time and Mode	Thursday, September 26, 2024 at 11:30 AM through VC / OAVM
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### (b) Financial Calendar

Financial Year: April 1 to March 31

For the financial year 2023 – 2024, the results were announced as per the following details:

1 <sup>st</sup> Quarter ended on June 30, 2023	On August 10, 2023
2 <sup>nd</sup> Quarter ended on September 30, 2023	On November 09, 2023
3 <sup>rd</sup> Quarter ended on December 31, 2023	On February 12, 2024
Audited Financial Result for the year ended on March 31, 2024	On May 16, 2024

For the financial year 2024 – 2025, financial results will be announced as per the following tentative schedule:

1 <sup>st</sup> Quarter ended on June 30, 2024	Second week of August, 2024
2 <sup>nd</sup> Quarter ended on September 30, 2024	First week of November, 2024
3 <sup>rd</sup> Quarter ended on December 31, 2024	First week of February, 2025
Audited Financial Result for the year ended on March 31, 2025	Last week of May, 2025

### (c) Date of Book Closure

The Company's Register of Member's & Share Transfer Book will remain closed from September 20, 2024 to September 26, 2024 (both days inclusive).

### (d) Listing of Stock Exchange and Stock Code

Shares of the Company are listed on the Bombay Stock Exchange Limited, Mumbai (Scrip Code: 524727). Company has paid Annual Listing Fees to Bombay Stock Exchange Limited. ISIN of the Company is INE004E0106. Company's CIN is L74999GJ1980PLC003710.

### (e) Market Price Data

High / Low in each month of year 2023 - 2024 on the Bombay Stock Exchange Limited, Mumbai.

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April	16.43	13.98	August	10.91	8.80	December	17.30	13.76
May	17.75	13.88	September	13.15	10.43	January	16.01	13.11
June	16.87	14.18	October	16.55	13.41	February	16.63	12.92
July	15.92	11.16	November	18.13	16.48	March	18.00	13.45

### (f) Performance in Comparison to BSE Sensex

Month & Year	Closing	% Change	Closing Price of Company's share (Rs.)	% Change
April 2023	61112.44	3.60	16.43	23.26
May 2023	62622.24	2.47	16.87	2.68
June 2023	64718.56	3.35	15.17	(10.08)
July 2023	66527.67	2.80	11.16	(26.43)
August 2023	64831.41	(2.55)	10.23	(8.33)
September 2023	65828.41	1.54	13.15	28.54
October 2023	63874.93	(2.97)	16.23	23.42
November 2023	66988.44	4.87	16.48	1.54
December 2023	72240.26	7.84	14.67	(10.98)
January 2024	71752.11	(0.68)	14.50	(1.16)
February 2024	72500.30	1.04	14.91	2.83
March 2024	73651.35	1.59	17.10	14.69

### (g) Registrar & Transfer Agents & Share Transfer System

During the year 2020-2021, M/s. Accurate Securities and Registry Private Limited, Ahmedabad has been appointed as Registrar and Transfer Agent of the Company in place of M/s. Link Intime India Private Limited.

Shareholder are requested to make all communication to Company's New Registrar and Transfer Agent M/s. Accurate Securities and Registry Private Limited as under mention address:

M/s. Accurate Securities and Registry Private Limited,

Unit: Span Divergent Limited

B1105 – 1108, K P Epitome, Nr. Makarba Lake, Nr. Siddhi Vinayak Tower, Makarba, Ahmedabad – 380 051

Telephone No.: +91-79-48000319, Email: investor@accuratesecurities.com Website: [www.accuratesecurities.com](http://www.accuratesecurities.com)

Shareholders' requests for transfer / transmission of equity shares and other related matters are handled by Registrar and Transfer Agent and are effected within stipulated timelines, if all the documents are valid and in order. Pursuant to the provisions of Regulation 40 of the SEBI Listing Regulations, 2015, securities can be transferred only in dematerialised form w.e.f. 1 April 2019. **Members are requested to convert their physical holdings into Demat form.** Other valid requests are also resolved by Registrar and Transfer Agent in co-ordination with company and status of complaints are placed before the Stakeholders Relationship Committee. The minutes of the Stakeholders Relationship Committee is placed before the Board for information.

The Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issue of share certificates for transfer, sub-division, consolidation etc., and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of SEBI Listing Regulations, 2015. Further, the Compliance Certificate under Regulation 7(3) of the SEBI Listing Regulations, 2015 confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on a half yearly basis.

**(h) Categories of Shareholding and Dematerialization of Shares as on March 31, 2024**

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	-	34,95,900	34,95,900	64.01
Foreign Institutional investors	-	-	-	-
Public financial institutions	-	-	-	-
Mutual funds	-	-	-	-
Nationalized banks and other banks	-	-	-	-
NRI's and OCB's	62,000	6,33,675	6,95,675	12.74
Others (includes holding of Corporate Bodies)	1,21,404	11,48,768	12,70,172	23.25
<b>Total</b>	<b>1,83,404</b>	<b>52,78,343</b>	<b>54,61,747</b>	<b>100.00</b>
<b>Percentage</b>	<b>3.36</b>	<b>96.64</b>	<b>100.00</b>	<b>100.00</b>

**(i) Distribution of Share Holding as on March 31, 2024**

No. of Shares	Number of shareholders	Percentage of Total	Number of shares	Percentage of total shares
1 to 500	1755	84.82	2,63,964	4.83
501 to 1000	147	7.10	1,16,891	2.14
1001 to 2000	71	3.43	1,09,331	2.00
2001 to 3000	23	1.11	57,794	1.06
3001 to 4000	18	0.87	66,007	1.21
4001 to 5000	10	0.48	47,940	0.88
5001 to 10000	17	0.82	1,25,420	2.30
10001 and above	28	1.35	46,74,400	85.58
<b>Total</b>	<b>2069</b>	<b>100</b>	<b>54,61,747</b>	<b>100</b>

**(j) Dematerialization of Shares and liquidity:**

The Company's shares are available for dematerialization with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and are traded on BSE. Requests for the same are processed within prescribed time limit, if all the documents are valid and in order. As on March 31, 2024, out of the total 54,61,747 equity shares, 52,78,343 equity shares representing 96.64% of the total paid up share capital were held in dematerialised form with NSDL and CDSL.

**(k) Outstanding ADRs / GDRs / Warrants or any convertible instruments, conversion date and likely impact on equity:**

There were NIL convertible share warrants outstanding as on March 31, 2024.

**(l) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:** Not Applicable**(m) Plant Location:** Not Applicable**(n) Registered Office & Address for correspondence:**

9<sup>th</sup> Floor, 902 – 904, Rajhans Bonista, Behind Ram Chowk Temple, Ghod Dod Road, Surat – 395 007

**Email:** secretarial@span.co.in **Website:** <http://span.in>

**(o) List of Credit Rating obtained by the entity:** Nil**(p) Certificate from Practicing Company Secretary:**

A certificate from M/s. Mitesh Rana & Co., Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority is forming part of Annual Report.

**(q) Total fees paid to M/s. Y.B.Desai & Associates, Statutory Auditors:**

Total fees (excluding taxes) for all services paid by the Company and its subsidiaries in India, on a consolidated basis, to M/s. Y.B.Desai & Associates, Statutory Auditors within the network firm/network entity of which the statutory auditor is a part, is INR 4,50,000.

**(r) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

A	Number of complaints filed during the financial year	Nil
B	Number of complaints disposed off during the financial year	Nil
C	Number of complaints pending as on end of the financial year	Nil

**(s) Information flow to the Board Members:**

As required under Regulation 17(7), Part A of Schedule II of SEBI Listing Regulations, 2015, information is provided to the Board members for their information, review, inputs and approval from time to time.

**(t) Code of Conduct for Prevention of Insider Trading**

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 including amendments thereof, the Company has adopted a comprehensive Code of Conduct for Prohibition of Insider Trading and procedures for fair disclosure of Unpublished Price Sensitive Information.

**(u) disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:**

No loans and advances in the nature of loans to firms/companies in which directors are interested has been given by the Company and its subsidiaries



(v) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

Sr. No.	Name of Material Subsidiary	Date of Incorporation	Place of Incorporation	Name and Date of Appointment of Statutory Auditors of Such Subsidiaries
1	Dryfruit Factory LLP	August 24, 2015	9th Floor, Office 902-904, Rajhans Bonista, Ghod Dod Road, B/H Ram Chawk Temple, Surat	M/s. Y.B.Desai & Associates, Statutory Auditors Date of Appointment: 10/07/2020
2	Biospan Scientific LLP	March 15, 2016	9th Floor, Office 902-904, Rajhans Bonista, Ghod Dod Road, B/H Ram Chawk Temple, Surat	M/s. Y.B.Desai & Associates, Statutory Auditors Date of Appointment: 10/07/2020

\*Details of Inoperative Subsidiary LLP which has not been provided.

**DISCLOSURE OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF THE SEBI LISTING REGULATIONS, 2015:**

The Company has complied with the requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the SEBI Listing Regulations, 2015.

**DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2023	Nil	Nil
Shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil
Shareholders to whom shares were transferred from the suspense account during the year	Nil	Nil
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2024	Nil	Nil

The voting rights on the shares outstanding in the suspense account as on March 31, 2024, shall remain frozen till the rightful owner of such shares claims the shares.

**DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A) OF THE SEBI LISTING REGULATIONS, 2015:** Not Applicable

**DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES UNDER CLAUSE 5A OF PARAGRAPH A OF PART A OF SCHEDULE III OF THE SEBI LISTING REGULATIONS, 2015:** Not Applicable as no such agreements entered which are binding Company.

**For and on behalf of the Board of Directors  
Span Divergent Limited**

**Date: May 16, 2024  
Place: Surat**

**Viral P Desai  
Managing Director  
DIN: 00029219**

**Dr. Pradip K Desai  
Non-Executive Director  
DIN: 00026451**

**The Members  
Span Divergent Limited  
CIN: L74999GJ1980PLC003710**

This is to certify that on verification of declarations made by the Directors and records maintained by Span Divergent Limited ("the Company"), none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities Exchange Board of India (SEBI) / Ministry of Corporate Affairs or any such Statutory Authority as per the requirements of point 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Date: May 16, 2024  
Place: Surat**

**For Mitesh Rana & Co.,  
Company Secretaries**

**Mitesh Rana  
Proprietor  
ACS M. No.: 28113  
COP : 12364  
PR No.: 1430/2021  
UDIN: A028113F000384238**



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SPAN DIVERGENT LIMITED

#### Report on the Audit of the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Span Divergent Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that the matters described below to be the key audit matters to be communicated in our report,

#### 1. Impairment testing of carrying value of investment Subsidiaries and other Investments

As at 31st March, 2024, the company has investment of Rs. 2853.09 Lakhs (after re-evaluating Impairment loss on Investments) in LLP Subsidiaries as partner's Capital by way of fixed as well as fluctuating capital and in Private Limited Company by holding Share Capital.

The Management has assessed the impairment of investments in its subsidiaries by reviewing the business forecasts of subsidiaries and noted that except LLP Subsidiaries i.e. Aranya Agri Biotech LLP and Biospan Scientific LLP, no provision for impairment is required to be made in respect of these investments as they are considered good. We considered this as a key audit matter due to significant judgment involved in estimating future cash flows prepared by the Management to support the carrying value of above investments.

**In view of the above significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:-**

- Obtained an understanding of management's process and evaluated design and tested operating effectiveness of controls around identification/ assessment of indicators of impairment under Ind AS, and performing the related impairment analysis of the Subsidiary Company to determine recoverable amount of the said investment.
- Ensuring the methodology of the impairment exercise continues to comply with the requirements of Indian Accounting Standards (Ind AS) as adopted, including evaluating management's assessment of indicators of impairment against indicators of impairment specified within Ind AS 36.
- Evaluating the independent external valuer's competence, capabilities and objectivity. Understanding the methodologies used by the external valuer to estimate resale values.
- Evaluated the appropriateness of the disclosure in the financial statements and assessed the completeness and mathematical accuracy.
- Considered the results of the aforesaid procedures in evaluating the recoverability of investment in subsidiaries. Based on the above procedures performed, we noted that the Management's assessment of impairment of investments in subsidiaries is reasonable and in case of subsidiary Aranya Agri Biotech LLP as at March 31, 2024, the LLP had accumulated losses of Rs.18.30 Lakhs during the current year and Rs. 81.48 Lakhs in the preceding year and as of that date there is substantial erosion in the net worth of the LLP. Further, in case of subsidiary Biospan Scientific LLP as at March 31, 2024, the LLP had profit of Rs. 31.95 Lakhs during the current year and Rs. 8.50 Lakhs has been recovered against accumulated impaired investment in subsidiary till Previous years of Rs. 157.24 Lakhs.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes

in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

##### **1. As required by Section 143(3) of the Act, based on our audit we report that:**

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to standalone financial statement.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations which would impact its financial position.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Y. B. Desai and Associates**  
**Chartered Accountants**  
**Firm Registration No. 102368W**

**Mayank Y. Desai**  
**Partner**  
**Membership No.: 108310**  
**UDIN: 24108310BKALNS3907**

**Date: 16<sup>th</sup> May, 2024**  
**Place: Surat**

#### **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of SPAN DIVERGENT LIMITED of even date)**

#### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of SPAN DIVERGENT LIMITED (the “Company”) as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for the Internal Financial Controls**

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For Y. B. Desai and Associates**  
**Chartered Accountants**  
**Firm Registration No. 102368W**

**Mayank Y. Desai**  
**Partner**  
**Membership No.: 108310**  
**UDIN: 24108310BKALNS3907**

**Date: 16<sup>th</sup> May, 2024**

**Place: Surat**

### ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under \*Report on Other Legal and Regulatory Requirements' section of our report to the Members of Span Divergent Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of Audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
  - (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
  - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
  - (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
  - (c) The Company has not granted any loans or advances in the nature of loans, hence the reporting of schedule of repayment of principal and payment of interest under clause 3(iii)(c) of the Order is not applicable.

- (d) The Company has not granted any loans or advances in the nature of loans, hence the reporting of overdue amount remaining outstanding as at the balance sheet date under clause 3(iii)(d) of the Order is not applicable.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been applicable for the company under the Company under sub-section (I) of section 148 of the Companies Act, 2013, hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Nature of Statute	Nature of Dues	Forum where the dispute is pending	Period to which amount relates	Amount in Rs.	Remarks
The Income Tax Act, 1961	Income Tax	CIT Appeal, Ahmedabad	A.Y.2012-13	15,18,090	Adjusted Against the Refund of Next Assessment Years
			A.Y.2013-14	1,36,18,810	
The Income Tax Act, 1961	Income Tax	CIT Appeal, Ahmedabad	A.Y.2018-19	1,57,500	Appeal Pending
The Income Tax Act, 1961	Income Tax	CIT Appeal, Ahmedabad	A.Y.2017-18	1,50,000	Appeal Pending
The Income Tax Act, 1961	Income Tax	CIT Appeal, Ahmedabad	A.Y.2016-17	62,67,024	Appeal Pending

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a. The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d. On an overall examination of the financial statements of the Company has not raised funds on short-term basis, hence reporting under clause 3(ix)(d) of the Order is not applicable..
- e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f. The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(X)(b) of the Order is not applicable.
- xi. a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report..
- c. We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures. As represented to us by management, there were no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, aging and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. As provision of Corporate Social Responsibility (CSR) under Section 135 of the Act is not applicable to the Company, hence reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.
- xxi. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

**For Y. B. Desai and Associates  
Chartered Accountants  
Firm Registration No. 102368W**

**Mayank Y. Desai**  
**Partner**  
**Membership No.: - 108310**  
**UDIN: 24108310BKALNS3907**

**Date: - 16<sup>th</sup> May, 2024**  
**Place: - Surat**

**SPAN DIVERGENT LIMITED**  
(Formerly Span Diagnostics Limited)  
**Balance Sheet as at March 31, 2024**

(Amount in INR Lacs)

	Notes	March 31, 2024	March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	320.67	338.87
Right-of-use-assets	3	8.42	17.60
Investment properties	4	-	26.30
Intangible assets	5	2.19	2.95
Intangible assets under development	5	-	-
Financial assets			
i. Investments in Subsidiary	6(a)(i)	2,853.09	2,791.55
ii. Others	6(d)	50.08	47.31
Deferred tax Assets (Net)	11	9.67	8.70
<b>Total non-current assets</b>		<b>3,244.12</b>	<b>3,233.28</b>
<b>Current assets</b>			
Inventories			
Financial assets			
i. Investments	6(a)(ii)	468.56	394.53
ii. Trade receivables	6(b)	19.05	16.33
iii. Cash and cash equivalents	6(c)(i)	37.78	24.99
iv. Bank balances other than (iii) above	6(c)(ii)	-	-
v. Others	6(d)	10.65	16.26
vi. Other Financial Assets		65.03	60.17
Other current assets	7	0.87	18.57
<b>Total current assets</b>		<b>601.94</b>	<b>530.85</b>
<b>Total assets</b>		<b>3,846.06</b>	<b>3,764.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	8(a)	546.17	546.17
Other equity	8(b)	2,865.90	2,716.05
		<b>3,412.07</b>	<b>3,262.22</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
i. Borrowings	9(a)	197.70	254.00
ii. Lease Liabilities		-	13.91
Provisions	10	33.25	4.22
Deferred tax liabilities (Net)	11	17.15	16.19
<b>Total non-current liabilities</b>		<b>248.10</b>	<b>288.32</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings		-	-
ii. Lease Liabilities		10.46	6.80
iii. Trade payables			
(a) Total outstanding dues of Micro enterprises and small enterprises	9(c)	-	0.18
(b) Total outstanding dues of creditors other than Micro enterprises and small enterprises.	9(c)	1.67	6.05
iv. Other financial liabilities	9(b)	135.86	140.96
Other current liabilities	12	5.39	4.12
Provisions	10	32.51	55.48
<b>Total current liabilities</b>		<b>185.89</b>	<b>213.59</b>
<b>Total liabilities</b>		<b>433.99</b>	<b>501.91</b>
<b>Total equity and liabilities</b>		<b>3,846.06</b>	<b>3,764.13</b>
Corporate information & Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

**For Y B Desai & Associates**

Chartered Accountants

Firm Registration No: 102368W

**Mayank Y Desai**

**Partner**

Membership No.:108310

UDIN: 24108310BKALNS3907

Date: May 16, 2024

Place: Surat

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

**Span Divergent Limited**

**Viral P Desai**  
Managing Director  
DIN: 00029219

**Paras Desai**  
Whole Time Director & CFO  
DIN: 08293906

**Dr. Pradip K Desai**  
Director  
DIN: 00026451

**Urvi Shinde**  
Company Secretary  
Date: May 16, 2024  
Place: Surat

**SPAN DIVERGENT LIMITED**  
(Formerly Span Diagnostics Limited)

**Statement of Profit and Loss for the year ended March 31, 2024**

(Amount in INR Lacs)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>Continuing operations</b>			
Revenue from operations	13(a)	191.45	195.90
Other income	13(b)	154.98	73.64
<b>Total income</b>		<b>346.43</b>	<b>269.54</b>
<b>Expenses</b>			
<b>Cost of Material Consumed</b>			
Purchases of stock-in-trade		-	-
Changes in inventories of stock-in-trade		-	-
Employee benefit expense	14	117.50	104.47
Finance costs	15	-	-
Depreciation and amortisation expense	16	34.11	42.46
Other expenses	17	51.89	41.54
<b>Total expenses</b>		<b>203.50</b>	<b>188.47</b>
<b>Profit before exceptional items and tax</b>		<b>142.92</b>	<b>81.07</b>
Exceptional items	28	8.50	(410.83)
<b>Profit/(Loss) before tax</b>		<b>151.42</b>	<b>(329.76)</b>
Tax expense	18		
- Current tax		-	-
- Deferred tax		0.43	3.98
<b>Profit/(Loss) for the period from continuing operations</b>		<b>150.99</b>	<b>(333.74)</b>
<b>Other comprehensive income</b>			
Remeasurement costs of post-employment benefits		(1.59)	(1.69)
Deferred tax on post-employment		0.44	0.47
<b>Other comprehensive income for the year, net of tax</b>		<b>(1.15)</b>	<b>(1.22)</b>
<b>Total comprehensive income for the year</b>		<b>149.83</b>	<b>(334.96)</b>
Earnings per equity share for profit from operation attributable to owners of the entity:			
Basic earnings per share	21	2.76	(6.11)
Diluted earnings per share	21	2.76	(6.11)
Corporate information & Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements.  
In terms of our report attached

**For Y B Desai & Associates**  
Chartered Accountants  
Firm Registration No: 102368W

\_\_\_\_\_  
**Mayank Y Desai**  
Partner  
Membership No: 108310  
UDIN: 24108310BKALNS3907  
Date: May 16, 2024  
Place: Surat

**For and on behalf of the Board of Directors**  
**Span Divergent Limited**

\_\_\_\_\_  
**Viral P Desai**  
Managing Director  
DIN: 00029219

\_\_\_\_\_  
**Paras Desai**  
Whole Time Director & CFO  
DIN: 08293906

\_\_\_\_\_  
**Dr. Pradip K Desai**  
Director  
DIN: 00026451

\_\_\_\_\_  
**Urvi Shinde**  
Company Secretary  
Date: May 16, 2024  
Place: Surat



**SPAN DIVERGENT LIMITED**  
(Formerly Span Diagnostics Limited)

**Statement of Cash Flows for the year ended March 31, 2024**

**(Amount in INR Lacs)**

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Profit before income tax</b>	<b>151.42</b>	<b>(329.76)</b>
Adjustments for		
Depreciation and amortisation expense	34.11	42.46
Intangible Assets Written Off	-	-
Un realised Loss/(Gain) on Investments	(28.86)	(17.80)
Rental Income	(47.98)	(43.26)
Interest Income	(3.78)	(3.16)
Gain on Sale of Investments	28.62	17.42
Gain on Sale of Assets	(69.67)	-
Finance Cost	-	-
Financial Guarantee Fees Income	(3.95)	(9.03)
Impairment Provision for LLP Subsidiaries	(8.50)	410.83
<b>Change in operating assets and liabilities:</b>		
(Increase)/Decrease in trade receivables	(2.73)	(5.85)
Increase in trade payables	(4.55)	0.44
(Increase) in other financial assets	5.61	6.19
(Increase)/decrease in other non-current assets	(2.77)	(13.52)
(Increase)/decrease in other current assets	17.69	2.43
Increase/(decrease) in provisions	7.48	7.99
Increase/(decrease) in other financial liabilities	(5.11)	15.23
Increase in other current liabilities	(8.97)	(10.94)
<b>Cash generated from operations</b>	<b>58.06</b>	<b>69.69</b>
Income taxes paid	4.86	11.38
<b>Net cash inflow from operating activities</b>	<b>53.20</b>	<b>58.32</b>
<b>Cash flows from investing activities</b>		
(Purchase)/Redemption of investments	(53.04)	(69.06)
Proceeds from sale of investments	(74.02)	(4.69)
Investment in Fixed Deposits for more than one year	(2.77)	(13.52)
(Purchase)/Sale of property, plant and equipment	90.01	(0.50)
Proceeds from sale of property, plant and equipment	-	-
Dividends received	-	-
Rental Income	47.98	43.26
Interest received	7.73	8.56
<b>Net cash outflow from investing activities</b>	<b>15.89</b>	<b>(35.95)</b>
<b>Cash flows from financing activities</b>		
Proceeds/Repayment from borrowings	(56.30)	(2.00)
Payment towards unclaimed dividend	-	-
Interest paid	-	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>(56.30)</b>	<b>(2.00)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>12.79</b>	<b>20.37</b>
Cash and cash equivalents at the beginning of the financial year	<b>24.99</b>	<b>4.62</b>
<b>Cash and cash equivalents at end of the year</b>	<b>37.78</b>	<b>24.99</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>		
Cash and cash equivalents as per above comprise of the following		
<b>Particulars</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
Balances with banks		
- in current accounts	37.73	24.96
Cash on hand	0.05	0.03
<b>Balances per statement of cash flows</b>	<b>37.78</b>	<b>24.99</b>
Corporate information & Summary of significant accounting policies	1 & 2	

The Amendments to Ind AS 7 Statement of Cash Flow requires the entities to provide disclosures that enables users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flow and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in balance sheet for liabilities arising from financing activities. The Required discloser is made below:

Particulars	As at 31st March 2023	Cash Flow		Non-Cash Charges		As at 31st March 2024
		Precedes	Repayments	Fair value Changes	Current / Non-Current Classification	
Loan Term Borrowing (Current & Non- Current)	254.00	-	56.30	-	-	197.70
Short Term Borrowing	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

In terms of our report attached  
**For Y B Desai & Associates**  
Chartered Accountants  
Firm Registration No: 102368W

**Mayank Y Desai**  
Partner  
Membership No: 108310  
UDIN: 24108310BKALNS3907  
Date: May 16, 2024  
Place: Surat

**For and on behalf of the Board of Directors**  
**Span Divergent Limited**

**Viral P Desai**  
Managing Director  
DIN: 00029219

**Paras Desai**  
Whole Time Director & CFO  
DIN: 08293906

**Dr. Pradip K Desai**  
Director  
DIN: 00026451

**Urvi Shinde**  
Company Secretary  
Date: May 16, 2024  
Place: Surat

**SPAN DIVERGENT LIMITED**

(Formerly Span Diagnostics Limited)

**Statement of changes in equity for the year ended March 31, 2024****(Amount in INR Lacs)****a. Equity share capital**

	Notes	Amount
Issue of Share Capital	10	-
<b>As at 31 March 2023</b>	10	546.17
Issue of Share Capital	10	-
<b>As at 31 March 2023</b>	10	546.17

**b. Other Equity**

	Reserves and Surplus		
	Capital Redemption Reserve	Capital Reserve	Retained Earnings
<b>Opening Balance as on 01.04.2022</b>	<b>181.43</b>	<b>42.06</b>	<b>2,827.53</b>
Add: Loss for the year	-	-	(333.74)
Total Comprehensive Income for the year	-	-	(1.22)
<b>Balance as on 31.03.2023</b>	<b>181.43</b>	<b>42.06</b>	<b>2,492.57</b>
Add: Loss for the year	-	-	150.99
Total Comprehensive Income for the year	-	-	(1.15)
<b>Balance as on 31.03.2024</b>	<b>181.43</b>	<b>42.06</b>	<b>2642.40</b>

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

**For Y B Desai & Associates**  
Chartered Accountants  
Firm Registration No: 102368W

**For and on behalf of the Board of Directors**  
**Span Divergent Limited**

\_\_\_\_\_  
**Viral P Desai**  
Managing Director  
DIN: 00029219

\_\_\_\_\_  
**Dr. Pradip K Desai**  
Director  
DIN: 00026451

\_\_\_\_\_  
**Mayank Y Desai**  
Partner

Membership No: 108310  
UDIN: 24108310BKALNS3907  
Date: May 16, 2024  
Place: Surat

\_\_\_\_\_  
**Paras Desai**  
Whole time Director & CFO  
DIN: 08293906

\_\_\_\_\_  
**Urvi Shinde**  
Company Secretary  
Date: May 16, 2024  
Place: Surat

## SPAN DIVERGENT LIMITED

Notes to financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupees in Lacs except for share data or otherwise stated)

### 1 Corporate information

Span Divergent Limited is Public Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. Its shares are listed on Bombay Stock Exchange. The Company has sold its In-Vitro Diagnostics Business Undertaking on March 05, 2015 and has invested in different businesses through various subsidiaries.

### 2. Statement of significant accounting policies

#### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

#### 2.2 Summary of significant accounting policies

##### (a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
  - Held primarily for the purpose of trading
  - Expected to be realised within twelve months after the reporting period, or
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

##### (b) Functional and presentation currency

The financial statements are presented in INR which is also the Company's functional currency.

##### (c) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

##### (d) Revenue recognition

a. The Company recognise revenue on the sale of products when risks and rewards of the ownership are transferred to the customer. Sales are accounted net of amount recovered towards, sales tax and sales returns.

b. Sales returns are accounted on actual receipt of return goods / settlement of claims.

c. Interest income is recognised on pro-rate basis.

d. Income from mutual funds is recognised when the Company's right to receive the payment is established, and unit holders' right to receive payment is established.

##### (e) Taxes

###### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Minimum Alternate Tax (MAT)**

Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

**(f) Property, plant and equipment**

Under the previous GAAP (Indian GAAP), Property, Plant and Equipment were carried in the balance sheet at cost of acquisition. The Company has elected to regard those values of assets as deemed cost at the date of the acquisition since they were broadly comparable to fair value. The Company has also determined that cost of acquisition or construction does not differ materially from fair valuation as at April 01, 2016 (date of transition to Ind AS).

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation is calculated on a Written down value over the estimated useful lives as per Schedule 2 of The Companies Act, 2013

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end and adjusted prospectively, if appropriate.

**(g) Intangible Assets**

Intangible assets are measured at cost. Lump sum fees for technical know-how is amortised over the period of agreement or as per management's best estimate of useful life but not exceeding 10 years.

**(h) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(i) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

(j) **Provisions**

**General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(k) **Employee Benefits**

**a. Retirement Benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

**b. Compensated Expenses**

The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the period-end/ year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

**c. Other Short-term benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(l) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**Equity investments:**

In respect of equity investments, when an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries and associates either:

- (a) at cost; or
- (b) in accordance with Ind AS 109.

If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

- (a) cost determined in accordance with Ind AS 27; or
- (b) deemed cost. The deemed cost of such an investment shall be its:
  - (i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or
  - (ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary or associate that it elects to measure using a deemed cost.

Since the company is a first-time adopter it has measured its investment in subsidiary and associate at deemed cost in accordance with Ind AS 27 by taking previous GAAP carrying amount.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a) the rights to receive cash flows from the asset have expired, or
- b) the Company has transferred its rights to receive cash flows from the asset, and
  - i. the Company has transferred substantially all the risks and rewards of the asset, or
  - ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18
- c) Loan commitments which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- ▶ All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- ▶ Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- ▶ Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- ▶ Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

#### **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### **Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 14.

##### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

##### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

**(m) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**(n) Segment Reporting**

The Board of Directors assess the financial performance of the Company and make strategic decisions and has been identified as being the Chief Operating Decision Maker (CODM). Based on the internal reporting provided to the CODM, the Company has only one reportable segment i.e. the activities of head offices, Management services, hence no separate disclosures are required under Ind As 108

**(o) 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 Statement of Profit and Loss as and when incurred. Lease rental are charged to Statement of Profit and loss on accrual basis.

**(p) Earnings per Share**

The Basic earning per Share ("EPS") is computed by dividing the net profit/(loss) after tax for the year attributable to equity share holder by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit after tax for the period attributable to the equity shareholders of the Company by weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

**(q) Additional regulatory information**

(a) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year or The Company does not have any transactions with companies struck off.

(b) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(c) The Company has not traded or invested in crypto currency or virtual currency during the year.

**Note 3: Property, plant and equipment and Capital work-in-progress**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Carrying amount of:</b>		
Freehold land*	107.03	107.03
Computers	0.33	0.33
Office equipment	1.40	1.41
Buildings & Roads	187.29	196.87
Vehicles	2.67	3.62
Electrical Instalment	1.05	1.42
Furniture and fixtures	4.67	6.30
Compound Wall	16.23	21.89
<b>Total Tangible assets</b>	<b>320.67</b>	<b>338.87</b>

\*Land has been pledged as security for borrowings

**Note 3.1: Property, plant and equipment**

Description of Assets	Freehold land	Computers	Office equipment	Buildings & Roads	Vehicles	Electrical Instalment	Leasehold Improvements	Furniture and fixtures	Compound Wall	Total
<b>At Cost</b>										
<b>Opening Balance April 01, 2022</b>	<b>107.03</b>	<b>6.89</b>	<b>28.01</b>	<b>263.95</b>	<b>58.48</b>	<b>10.00</b>	<b>26.87</b>	<b>40.69</b>	<b>102.13</b>	<b>644.05</b>
Additions	-	-	-	-	00.50	-	-	-	-	00.50
Deletions	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2023</b>	<b>107.03</b>	<b>6.89</b>	<b>28.01</b>	<b>263.95</b>	<b>58.98</b>	<b>10.00</b>	<b>26.87</b>	<b>40.69</b>	<b>102.13</b>	<b>644.55</b>
Additions	-	-	-	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2024</b>	<b>107.03</b>	<b>6.89</b>	<b>28.01</b>	<b>263.95</b>	<b>58.98</b>	<b>10.00</b>	<b>26.87</b>	<b>40.69</b>	<b>102.13</b>	<b>644.55</b>

Depreciation	Freehold land	Computers	Office equipment	Buildings & Roads	Vehicles	Electrical Instalment	Leasehold Improvements	Furniture and fixtures	Compound Wall	Total
<b>Opening Balance April 01,2022</b>	-	<b>6.56</b>	<b>26.41</b>	<b>57.01</b>	<b>53.78</b>	<b>8.09</b>	<b>26.87</b>	<b>32.19</b>	<b>72.60</b>	<b>283.50</b>
Charge for the year	-	-	0.19	10.07	1.58	0.50	-	2.20	7.64	22.18
Deletions	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2023</b>	-	<b>6.56</b>	<b>26.60</b>	<b>67.08</b>	<b>55.36</b>	<b>8.58</b>	<b>26.87</b>	<b>34.39</b>	<b>80.24</b>	<b>305.69</b>
Charge for the Year	-	-	0.01	9.58	0.95	0.37	-	1.63	5.67	18.20
Deletions	-	-	-	-	-	-	-	-	-	-
<b>March 31, 2024</b>	-	<b>6.56</b>	<b>26.61</b>	<b>76.66</b>	<b>56.31</b>	<b>8.95</b>	<b>26.87</b>	<b>36.02</b>	<b>85.91</b>	<b>323.88</b>
<b>Net Block</b>										
March 31 2023	107.03	0.33	1.41	196.87	3.62	1.42	-	6.30	21.89	338.87
March 31 2024	107.03	0.33	1.40	187.29	2.67	1.05	-	4.67	16.23	320.67

#### CAPITAL WORK-IN-PROGRESS

Aging of Capital Work-in-progress (Amount Rs.)

As at 31st March, 2024					
Projects in progress	< 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
	-	-	-	-	-

As at 31st March, 2023					
Projects in progress	< 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
	-	-	-	-	-

#### LEASED ASSETS

Particulars	As on March 31, 2024	As on March 31, 2023
<b>Gross Carrying Value</b>	<b>45.92</b>	<b>45.92</b>
Additions	-	-
Deletions	-	-
<b>Closing Balance</b>	<b>45.92</b>	<b>45.92</b>
<b>Accumulated Depreciation</b>	<b>-</b>	<b>-</b>
Opening Balance	28.32	19.13
Depreciation charge for the year	9.19	9.19
Depreciation on deletion	-	-
<b>Closing Balance</b>	<b>37.51</b>	<b>28.32</b>
<b>Net Block</b>	<b>8.42</b>	<b>17.60</b>

#### Note 4: Investment properties

	March 31, 2024	March 31, 2023
<b>Carrying amount</b>		
Opening carrying amount / Deemed cost	138.16	138.16
Addition during the year	-	-
Deletion during the year	138.16	-
<b>Closing carrying amount</b>	<b>-</b>	<b>138.16</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	111.86	101.56
Depreciation charge	5.96	10.30
<b>Closing accumulated depreciation</b>	<b>117.82</b>	<b>111.86</b>
<b>Net carrying amount</b>	<b>-</b>	<b>26.30</b>

#### (i) Amounts recognised in profit or loss for investment properties

	March 31, 2024	March 31, 2023
Rental income	1.75	3.39
Direct operating expenses from property that generated rental income	0.52	0.52
Direct operating expenses from property that did not generate rental income	-	-
<b>Profit from investment properties before depreciation</b>	<b>1.23</b>	<b>2.87</b>
Depreciation	5.96	10.30
<b>Profit from investment properties</b>	<b>(4.73)</b>	<b>(7.43)</b>

#### (ii) Fair value

	March 31, 2024	March 31, 2023
Investment properties	-	138.16



**Estimation of fair value**

The Company accesses for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties.

**Note 5: Intangible assets and Intangible under development**

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Carrying amount of:</b>		
Software	0.09	0.09
Trademark	2.10	2.86
Intangible assets under development	-	-
<b>Total Intangible assets</b>	<b>2.19</b>	<b>2.95</b>

**Note 5.1: Intangible Assets**

Description of Assets	Software	Trademark
<b>At Cost</b>		
<b>Opening Balance as on April 1, 2022</b>	<b>1.64</b>	<b>7.49</b>
Additions	-	-
Deletions	-	-
<b>March 31, 2023</b>	<b>1.64</b>	<b>7.49</b>
Additions	-	-
Deletions	-	-
<b>March 31, 2024</b>	<b>1.64</b>	<b>7.49</b>

**Depreciation**

<b>Opening Balance as on April 1, 2022</b>	<b>1.52</b>	<b>3.86</b>
Charge for the year	0.03	0.77
Deletions	-	-
<b>March 31, 2023</b>	<b>1.55</b>	<b>4.63</b>
Charge for the year	-	0.76
Deletions	-	-
<b>March 31, 2024</b>	<b>1.55</b>	<b>5.39</b>

**Note 6: Financial assets****6(a)(i) Non-current investments**

	31 March 2024	31 March 2023
<b>Investment in Subsidiaries</b>		
<b>Investment in LLPs</b>		
Aranya Agri Biotech LLP		
-Fixed Capital	0.99	0.99
-Fluctuating Capital	1577.83	1628.06
	1578.82	1629.05
Less: Impairment Loss on Permanent Diminution of the Investment	1529.05	1529.05
	49.77	100.00
Biospan Scientific LLP		
-Fixed Capital	0.99	0.99
-Fluctuating Capital	147.75	156.25
	148.74	157.24
Less: Impairment Loss on Permanent Diminution of the Investment	148.74	157.24
	-	-
Dry Fruit Factory LLP		
-Fixed Capital	0.99	0.99
-Fluctuating Capital	2,779.39	2,667.67
	2,780.38	2,668.66
Span Diagnostics LLP		
-Fixed Capital	0.99	0.99
-Fluctuating Capital	0.40	0.35
	1.39	1.34
Desai Farmharvest LLP		
-Fixed Capital	14.85	14.85
-Fluctuating Capital	-	-
	14.85	14.85
<b>Investment in Equity Shares</b>		
<b>Unquoted</b>		
Biospan Contamination Control Solution Pvt Ltd (67% holding – PY67%). (67,000 Equity Shares (Previous Year – 67,000 Shares) of Rupees 10 each)	6.70	6.70
<b>Total (Subsidiaries)</b>	<b>2,853.09</b>	<b>2,791.55</b>
<b>Total non-current investments</b>	<b>2,853.09</b>	<b>2,791.55</b>

**6(a)(ii) Current investments**

Particulars	March 31, 2024	March 31, 2023
<b>Investment in Mutual Fund - Quoted</b>		
Axis banking & PSU Debt Fund	166.67	155.88
ICICI Prudential Corporate Bond Fund	189.35	176.17
ICICI Prudential Medium Term Bond Fund - Growth	65.19	60.66
HDFC Ultra Short Term Fund- Gr.	0.05	-
ICICI Prudential Liquid Fund- Growth	47.30	1.82
<b>Total (Mutual Fund)</b>	<b>468.56</b>	<b>394.53</b>
<b>Total current investments</b>	<b>468.56</b>	<b>394.53</b>

**6(b) Trade receivables**

Particulars	March 31, 2024	March 31, 2023
Trade receivables		
Receivables	19.05	16.33
Less: Allowance for doubtful debts	-	-
<b>Total receivables</b>	<b>19.05</b>	<b>16.33</b>
Current portion	19.05	16.33
Non-current portion	-	-

**Aging of Trade Receivables**

Particulars	As at 31st March, 2024						Total
	Not Due	< 6 M	6 M to 1 year	1 to 2 years	2 to 3 years	> 3 years	
Undisputed Trade receivables – considered good / Services	8.94	8.19	0.97	0.96	-	-	<b>19.05</b>
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

Particulars	As at 31st March, 2023						Total
	Not Due	< 6 M	6 M to 1 Year	1 to 2 Years	2 to 3 years	> 3 Years	
Undisputed Trade receivables – considered good/ Services	-	16.33	-	-	-	-	<b>16.33</b>
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

**6 (c) (i) Cash and cash equivalents**

Particulars	March 31, 2024	March 31, 2023
Balances with banks		
- in current accounts	37.73	24.96
Cash on hand	0.05	0.03
<b>Total cash and cash equivalents</b>	<b>37.78</b>	<b>24.99</b>

**6 (c) (ii) Bank Balances Other than Cash and cash equivalents**

Particulars	March 31, 2024	March 31, 2023
Earmarked balances with banks for:		
Unpaid Dividend	-	-

**6 (d) Other financial assets**

Particulars	March 31, 2024		March 31, 2023	
	Current	Non- current	Current	Non- current
Security deposits with banks	-	50.08	-	47.31
Guarantee Commission receivables	4.47	-	10.86	-
Security deposits	2.31	-	2.31	-
Accrued Interest	3.87	-	3.09	-
<b>Total other financial assets</b>	<b>10.65</b>	<b>50.08</b>	<b>16.26</b>	<b>47.31</b>

**Note 7: Other Current assets**

Particulars	March 31, 2024	March 31, 2023
Prepaid expenses	0.72	0.82
<b>Advances other than capital advances</b>		
Other Advances	0.15	12.65
Balance with Statutory Authorities	-	5.10
<b>Total other current assets</b>	<b>0.87</b>	<b>18.57</b>

**Note 8: Equity share capital and other equity****8(a) Equity share capital****(i) Authorised, Issued, Subscribed and paid-up equity share capital:**

Particulars	March 31, 2024	March 31, 2023
<b>Authorised</b>		
1,50,00,000 Equity Shares of Rs. 10/- each (Previous year 15,000,000)	1500.00	1500.00
<b>Issued, Subscribed and paid-up</b>		
5,461,747 (Previous Year 5,461,747) Equity Shares of Rs.10/- each fully paid up	546.17	546.17
	<b>546.17</b>	<b>546.17</b>

**(ii) Terms and rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their holdings.

**(iii) Details of shareholders holding more than 5% shares in the company**

Name of Shareholder	March 31, 2024		March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
Pradipkumar Keshavlal Desai	23,35,806	42.77%	22,35,806	42.77%
Bharti Patel	5,75,333	10.53%	5,75,333	10.53%
Viral Pradipkumar Desai	6,88,015	12.60%	6,88,015	12.60%

**Shareholding of Promoter and Promoter Group March 31, 2024**

Name of Shareholders	31-03-2024		31-03-2023	
	Number of shares	% holding	Number of shares	% holding
Pradipkumar Keshavlal Desai	23,35,806	42.77	23,35,806	42.77
Viral Pradipkumar Desai	6,88,015	12.60	6,88,015	12.60
Gita Sureshbhai Desai	1,14,540	2.10	1,14,540	2.10
Sujata V Desai	1,01,576	1.86	1,01,576	1.86
Udaybhai Dhirubhai Desai	89,000	1.63	89,000	1.63
Manjulaben Prakashchandra Desai	-	-	-	-
Dr.Suresh Dinkarra Desai	33,720	0.62	33,720	0.62
Pranav S Desai	28,040	0.51	28,040	0.51
Prashant Suresh Desai	26,040	0.48	26,040	0.48
Shital Sarvajna Kazi	200	-	200	-
Udaybhai Dhirubhai Desai HUF	29,963	0.55	29,963	0.55
Prakash Dhirubhai Desai HUF	19,000	0.35	19,000	0.35
Pragati Kishor Shah	-	-	-	-
Span Finstock Pvt Ltd	-	-	-	-
Tejal Vivek Desai	30,000	0.55	30,000	0.55

(iv) Note: There are no shares bought back during the period of five years immediately preceding the reporting date.

(v) No Shares have been issued for consideration other than cash during the period of last five years.

**8(b) Reserves and surplus**

Particulars	March 31, 2024	March 31, 2023
Capital Redemption Reserve	181.43	181.43
Capital Reserve	42.06	42.06
Retained earnings	2,642.42	2,492.56
<b>Total reserves and surplus</b>	<b>2,865.90</b>	<b>2,716.05</b>

**(i) Capital Redemption Reserve**

	March 31, 2024	March 31, 2023
Opening balance	181.43	181.43
<b>Closing balance</b>	<b>181.43</b>	<b>181.43</b>

**(ii) Capital Reserve**

	March 31, 2024	March 31, 2023
Opening balance	42.06	42.06
<b>Closing balance</b>	<b>42.06</b>	<b>42.06</b>

**(iii) Retained earnings**

Particulars	March 31, 2024	March 31, 2023
<b>Opening balance</b>	<b>2,492.58</b>	<b>2,827.53</b>
Net profit for the period	150.99	(333.74)
Opening leases impact as per Ind AS 116		
<b>Items of other comprehensive income recognised directly in retained earnings</b>		
Remeasurements of post-employment benefit obligation, net of tax	(1.15)	(1.22)
Transfer to retained earnings of FVOCI equity investments, net of tax	-	-
<b>Closing balance</b>	<b>2,642.42</b>	<b>2,492.56</b>

**Note 9: Financial liabilities****9(a) Non-current borrowings**

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	March 31, 2024	March 31, 2023
<b>Secured</b>					
<b>Term loans</b>					
From banks	-	-	-	-	-
Loan from Director	Based on Mutual Agreement		Nil	197.70	254.00
<b>Total non-current borrowings</b>				<b>197.70</b>	<b>254.00</b>
Less: Current maturities of long-term debt (included in note 9(b))				-	-
Less: Interest accrued (included in note 9(b))				-	-
<b>Non-current borrowings (as per balance sheet)</b>				<b>197.70</b>	<b>254.00</b>

**9(a) Current borrowings**

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	March 31, 2024	March 31, 2023
<b>Secured</b>					
<b>Loans repayable on demand</b>					
From banks	NA	NA	NA	-	-
<b>Total current borrowings</b>				-	-
Less: Interest accrued (included in note 9(b))				-	-
<b>Current borrowings (as per balance sheet)</b>				-	-

**9(b) Other financial liabilities**

Particulars	March 31, 2024	March 31, 2023
<b>Non-current</b>		
<b>Total other non-current financial liabilities</b>		
<b>Current</b>		
Security Deposits	10.00	10.00
Employee benefit payable	125.86	130.96
<b>Total other current financial liabilities</b>	<b>135.86</b>	<b>140.96</b>

**9(c) Trade payables**

Particulars	March 31, 2024	March 31, 2023
<b>Current</b>		
Trade payables		
(a) Trade payables (Micro, small and medium enterprises)	-	0.18
(b) Total outstanding dues of creditors other than Micro enterprises and small enterprises	1.67	6.05
<b>Total trade payables</b>	<b>1.67</b>	<b>6.23</b>

**Ageing of Trade Payables**

Particulars	As at 31st March, 2024					
	Not Due	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	1.67	-	-	-	-	1.67
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

**Ageing of Trade Payables**

Particulars	As at 31st March, 2023					
	Not Due	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
(i) MSME	0.18	-	-	-	-	0.18
(ii) Others	-	6.05	-	-	-	6.05
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

The identification of Micro, Small and Medium enterprises as defined under the provision of "Micro, Small, and Medium Enterprise Act.2006" is based on the information available with the Management with respect to the status of the vendors.

**Note 10: Provisions**

Particulars	March 31, 2024			March 31, 2023		
	Current	Non- current	Total	Current	Non- current	Total
Provision for employee benefits						
Gratuity	0.79	25.29	26.08	23.03	3.21	26.24
Current Obligation of Leave Encashment	0.71	7.96	8.67	4.01	1.01	5.02
Super Annuation Fund	30.38	-	30.38	27.68	-	27.68
Performance Salary	-	-	-	0.20	-	0.20
Other	0.63	-	0.63	0.56	-	0.56
<b>Total</b>	<b>32.51</b>	<b>33.25</b>	<b>65.76</b>	<b>55.48</b>	<b>4.22</b>	<b>59.70</b>

**Note 11: Deferred tax Assets/Liabilities**

The balance comprises temporary differences attributable to:

Particulars	March 31, 2024		March 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Defined benefit obligations gratuity and leave	9.67	-	8.70	-
Property, plant and equipment	-	6.64	-	5.29
Fair value of Investment	-	10.51	-	10.90
<b>Net deferred tax assets/(Liabilities)</b>	<b>9.67</b>	<b>17.15</b>	<b>8.70</b>	<b>16.19</b>

**Significant estimates**

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- (a) the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and  
(b) the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

**Movement in deferred tax assets/ Liabilities for the year March 31, 2024**

	Defined benefit obligations gratuity and leave	Property, plant and equipment	Fair value of Investment	Total
(Charged)/credited:				
- to profit or loss	0.97	(1.35)	0.38	0.01
<b>At 31 March 2024</b>	<b>0.97</b>	<b>(1.35)</b>	<b>0.38</b>	<b>0.01</b>

**Movement in deferred tax assets/ Liabilities for the year March 31, 2023**

	Defined benefit obligations gratuity and leave	Property, plant and equipment	Fair value of Investment	Total
(Charged)/credited:				
- to profit or loss	0.81	(0.70)	(3.62)	(3.51)
<b>At March 31, 2023</b>	<b>0.81</b>	<b>(0.70)</b>	<b>(3.62)</b>	<b>(3.51)</b>

**Note 12: Other current liabilities**

Particulars	March 31, 2024	March 31, 2023
Statutory tax payables	5.39	4.12
<b>Total other current liabilities</b>	<b>5.39</b>	<b>4.12</b>

**Note 13(a): Revenue from Operations**

Particulars	March 31, 2024	March 31, 2023
Sale of products		
Other operating revenue	191.45	195.90
<b>Total revenue from continuing operations</b>	<b>191.45</b>	<b>195.90</b>

**Note 13(b): Other income and other gains/(losses)**

Particulars	March 31, 2024	March 31, 2023
Rental income	47.98	43.26
Unrealised Gain through P&L A/C (Investments)	28.86	17.80
Interest income from financial assets at amortised cost	3.78	3.16
Net Gain on disposal of property, plant and equipment (Excluding property, plant and equipment sold as part of discontinued operation)	-	-
Gain on sale of investments	69.91	0.37
Financial Guarantee Fees Income	3.95	9.03
Interest on IT Refund	0.45	-
Other Misc Income	0.04	0.02
<b>Total other income</b>	<b>154.98</b>	<b>73.64</b>

**Note 14: Employee benefit expense**

	March 31, 2024	March 31, 2023
Salaries, wages and bonus	112.48	99.98
Contribution to provident fund	2.32	1.79
Post-employment pension benefits	2.70	2.70
<b>Total employee benefit expense</b>	<b>117.50</b>	<b>104.47</b>

**Note 15: Finance costs**

Particulars	March 31, 2024	March 31, 2023
Interest on debts and borrowings	-	-
<b>Finance costs expensed in profit or loss</b>	<b>-</b>	<b>-</b>

**Note 16: Depreciation and amortisation expense**

Particulars	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment and Investment Property	33.34	41.67
Amortisation of intangible assets	0.77	0.79
<b>Total depreciation and amortisation expense</b>	<b>34.11</b>	<b>42.46</b>

**Note 17: Other expenses**

Particulars	March 31, 2024	March 31, 2023
Balance Written Off	12.65	-
Insurance	1.25	1.04
Legal and professional fees (Refer Note 18(a))	11.37	14.87
Membership Fees and Subscription	0.21	0.26
Miscellaneous expenses	15.33	17.29
Printing and stationery	0.16	0.09
Prior Period Expenses	2.50	1.16
<b>Repairs and maintenance</b>		
<i>Buildings &amp; Others</i>	5.81	5.15
Telephone and communication charges	0.51	0.53
Travel and conveyance	0.99	0.16
Water and electricity charges	1.11	0.99
<b>Total other expenses</b>	<b>51.89</b>	<b>41.54</b>

**Note 17(a): Details of payments to auditors**

Particulars	March 31, 2024	March 31, 2023
<b>Payment to auditors – As Auditor</b>		
Audit fee	2.35	2.35
<b>Total payments to auditors</b>	<b>2.35</b>	<b>2.35</b>

**Note 18: Income tax expense**

Particulars	March 31, 2024	March 31, 2023
<b>Income tax expense</b>		
Current tax	-	-
Current tax on profits for the year	-	-
<b>Total current tax expense</b>	<b>-</b>	<b>-</b>
Deferred tax		
Decrease (increase) in deferred tax assets	-	-
(Decrease) increase in deferred tax liabilities	0.43	3.98
<b>Total deferred tax expense/(benefit)</b>	<b>0.43</b>	<b>3.98</b>
<b>Income tax expense</b>	<b>0.43</b>	<b>3.98</b>
<b>Other Comprehensive Income</b>		
(Decrease) increase in deferred tax liabilities	0.44	0.47

**Note 19: Commitments and Contingent Liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Commitments</b>	<b>-</b>	<b>-</b>
<b>Contingent Liability</b>		
Lawsuit by previous employee in subsidiary	8.00	8.00
Corporate Guarantee given on behalf of Subsidiary Company	395.34	395.34
<b>Total</b>	<b>403.34</b>	<b>403.34</b>

**Note 20: Capital management****Risk management**

For the purpose of the Company's capital management, capital includes issued equity capital, compulsorily convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings including interest accrued on borrowings, trade and other payables, less cash and short-term deposits.

The gearing ratios were as follows:

Particulars	March 31, 2024	March 31, 2023
Net debt	340.61	405.30
Total equity	3,412.07	3,262.22
<b>Net debt to equity ratio</b>	<b>9.98%</b>	<b>12.42%</b>

**Note 21: Earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

Particulars	March 31, 2024	March 31, 2023
<b>(a) Basic earnings per share</b>		
i. Profit (loss) attributable to equity shareholders(basic)	150.99	(333.74)
ii. Weighted average number of equity shares (basic)	54.62	54.62
Total basic earnings per share attributable to the equity holders of the company	2.76	(6.11)
<b>(b) Diluted earnings per share</b>		
i. Profit (loss) attributable to equity shareholders(basic)	150.99	(333.74)
ii. Weighted average number of equity shares (basic)	54.62	54.62
Total diluted earnings per share attributable to the equity holders of the company	2.76	(6.11)

**Note 22: Post-Employment benefits**

For details about the related employee benefit expenses, see Note 14.

**A. Reconciliation of the defined benefit liability**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

*Reconciliation of present value of defined benefit obligation*

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of the year	26.24	22.27
Current service cost	0.62	0.72
Interest cost	1.94	1.55
Past Service Cost	(4.32)	-
Actuarial (gains) losses recognised		
- experience adjustments	0.26	1.79
- Financial Assumption adjustment	1.34	(0.10)
<b>Balance at the end of the year</b>	<b>26.08</b>	<b>26.23</b>

**B. Expense recognised in profit or loss**

Particulars	March 31, 2024	March 31, 2023
Current service cost	0.62	0.72
Interest on defined benefit Liability	1.94	1.55
Past service Cost	(4.32)	-
	<b>(1.76)</b>	<b>2.27</b>

**C. Remeasurements recognised in other comprehensive income**

Particulars	March 31, 2024	March 31, 2023
Actuarial (gain)/loss on Obligation for the period	1.59	1.69
Actuarial (gain)/loss due to DBO assumption change	-	-
	<b>1.59</b>	<b>1.69</b>

**D. Actuarial assumptions**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.71%	6.86%
Future salary growth	8.00%	8.00%
Attrition rate	2.00%	2.00%
Mortality table	Indian Assured Lives Mortality (20012-14) (Urban)	Indian Assured Lives Mortality (20012-14) (Urban)

**E. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Particulars	March 31, 2024		March 31, 2023	
	Increase	Increase	Increase	Decrease
Discount rate (1% movement)	(1.19)	1.28	(0.22)	0.02
Future salary growth (1% movement)	0.73	(0.67)	0.02	(0.22)
Attrition rate (1% movement)	0.08	(0.08)	(0.01)	0.001

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**Note 23: Financial Risk Management Framework****Risk management framework**

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

#### Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Company's exposure to customers is towards related parties and not subject to significant credit risk based on past history.

#### Current Investment

The Company holds current investment in mutual funds at 31 March 2024 and 31 March 2023. The credit risk on mutual funds is limited.

#### Cash and cash equivalents

The Company holds cash and cash equivalents. The credit risk on liquid funds is limited.

### Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### Year ended March 31, 2024

Particulars	On Demand	in next 12 months	>1 year <5	> 5 years	Total
Borrowings	197.70	-	-	-	197.70
Trade payables	-	-	-	-	-
Other financial liabilities	140.96	-	-	-	140.96
<b>Total</b>	<b>338.66</b>	-	-	-	<b>338.66</b>

#### Year ended March 31, 2023

Particulars	On Demand	in next 12 months	>1 year <5	> 5 years	Total
Borrowings	254.00	-	-	-	254.00
Trade payables	-	-	-	-	-
Other financial liabilities	140.96	-	-	-	140.96
<b>Total</b>	<b>394.96</b>	-	-	-	<b>394.96</b>

### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

#### Sensitivity analysis

Particulars	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
Forex rate fluctuation (1% movement)	-	-	-	-

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company keeps majority of its borrowings with floating interest rates and company looks out for opportunity for optimization of interest cost, based on prevailing market scenarios and performance of the company.

#### Note 24: Operating leases

- The Company does not have financial lease arrangement.
- The Company has taken office premises under lease arrangements and are renewable in mutually agreeable terms.

Particulars	March 31, 2024	March 31, 2023
Total rental expense relating to operating leases	-	-

### Note 25: Related Party Disclosures

#### Transactions with Related Parties as specified under Ind- AS 24

##### A. List of related parties and nature of relationship

Sr. No	Name of the related party	Nature of relationship
1	Dryfruit Factory LLP	Subsidiary
2	Aranya Agri Biotech LLP	Subsidiary
3	Desai Farmharvest LLP	Subsidiary
4	Span Diagnostics LLP	Subsidiary
5	Biospan Scientific LLP	Subsidiary
6	Biospan Contamination Control Solutions Pvt Ltd	Subsidiary



**B. Key management personnel**

Sr. No	Name of Personnel	Nature of relationship
1	Mr. Viral Desai	Managing Director
2	Mr. Paras Desai	Chief Financial Officer, Whole Time Director
3	Ms. Samiksha Kansara	Company Secretary (upto November 14, 2022)
4	Ms. Urvi Shinde	Company Secretary (w.e.f. February 09, 2023)

**C. Enterprises over which Key Management Personnel exercises significant influence**

Sr. No	Name of Personnel	Enterprises	Relationship
1	Mr. Viral Desai	Span Bioproducts Private Limited	Director
		Athreyas Wellness Private Limited	Director
		Micronclean India Private Limited	Director

**D. Relatives of key management personnel and their enterprise, where transactions have taken place.**

<b>Name of Personnel:</b> (1) Dr. Pradip K Desai (2) Ms. Sujata V Desai
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**E. Transactions with related parties during the year ended**

Sr.No	Name of the related party	Nature of transactions	March 31, 2024	March 31, 2023
1	Dryfruit Factory LLP	<u>Payment:</u>		
		Investment Made	10.50	22.65
		<u>Receipt:</u>		
		Investment	-	16.12
		Management Fees	18.15	19.07
		Interest capital	106.54	105.71
		Guarantee Commission	3.95	9.97
2	Aranya Agri Biotech LLP	Rent	20.91	19.91
		<u>Payment:</u>		
		Investment Made	-	105.00
		Interest Capital	50.23	-
		<u>Receipt:</u>		
		Investment	-	3.00
		Management Fees	-	0.09
3	Span Diagnostics LLP	Guarantee Commission	-	0.21
		Interest capital	-	8.83
		<u>Receipt:</u>		
4	Biospan Scientific LLP	Investment Made	0.05	0.15
		Interest capital	-	0.005
		<u>Payment:</u>		
5	Biospan Contamination Control Solutions Pvt Ltd	Investment Made	8.50	16.50
		<u>Receipt:</u>		
		Investment Made	-	16.50
6	Mr. Viral Desai*	<u>Receipt:</u>		
		Reimbursement of Expenses	0.002	-
		Management Fees	2.50	2.31
7	Ms. Samiksha Kansara (up-to November 14, 2022)	<u>Payment</u>		
		Director Remuneration	33.97	33.97
		Rent	5.78	5.62
8	Ms. Sujata Desai*	Salary	-	1.56
		Salary	29.03	17.78
		Rent	5.78	5.62
9	Mr. Paras Desai*	Reimbursement of Expenses	0.06	-
		Salary	42.00	41.92
		Reimbursement of Expenses	0.06	-
10	Dr. Pradip Desai	<u>Payment</u>		
		Director Remuneration	6.82	-
		Un Secured Loan	56.30	2.00
11	Span Finstock Pvt Ltd	Management Fees Received	-	3.00
12	Ms. Urvi Shinde (w.e.f. February 09, 2023)	Salary	2.52	0.42

Note: \* Includes Provision of Superannuation (In case of Mr. Viral Desai), Provident Fund and other retiral benefits.

**F. Balance Outstanding**

Sr. No	Name of the related party	Nature of balances	March 31, 2024	March 31, 2023
1	Dryfruit Factory LLP	<u>Receivable:</u>		
		Capital	2418.10	2407.60
		Interest Capital	362.28	261.06
		Guarantee Commission	4.47	9.97
		Management Fees	1.90	3.46
		Rent	1.88	1.79
2	Aranya Agri Biotech LLP	<u>Receivable:</u>		
		Capital	1429.48*	1429.48*
		Guarantee Commission	-	0.89
		Interest Capital	149.34	199.57
3	Span Diagnostics LLP	<u>Receivable:</u>		
		Capital	1.39	1.34
4	Biospan Scientific LLP	<u>Receivable:</u>		
		Capital	148.74**	157.24**
5	Desai Farmharvest LLP	<u>Receivable:</u>		
		Capital	14.85	14.85
6	Biospan Contamination Control Solutions Pvt Ltd	<u>Receivable:</u>		
		Management Fees	3.66	1.85
		Capital	6.70	6.70
7	Mr. Viral Desai	<u>Payable</u>		
		Director Remuneration	119.85	96.05
		Un Secured Loan	111.00	111.00
		Deposit Receivable	1.00	1.00
8	Ms. Sujata Desai	<u>Payable</u>		
		Salary	2.48	10.07
		Reimbursement of Expenses	0.005	-
		Deposit Receivable	1.00	1.00
9	Mr. Paras Desai	<u>Payable</u>		
		Salary	2.41	16.88
10	Dr. Pradip Desai	<u>Payable</u>		
		Un Secured Loan	86.70	143.00
		Salary	-	6.83
11	Urvi Shinde (w.e.f. February 09, 2023)	Salary payable	0.21	0.21

\*Out of total investment in Aranya Agri Biotech LLP, Rs 1529.05 lacs has been impaired.

\*\* Amount of Rs 157.24 Lacs has been impaired

**Note 26: Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Financial instruments by category**

The carrying value and fair value of financial instruments by categories as of 31 March 2024 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Assets:</b>							
<b>Non-Current</b>							
i. Investments	2,853.09	-	-	-	-	2,853.09	-
ii. Loans	-	-	-	-	-	-	-
iii. Others	-	-	-	-	-	-	-
<b>Current</b>							
i. Investments	-	-	468.56	-	-	-	468.56
ii. Trade receivables	19.05	-	-	-	-	19.05	-
iii. Cash and cash equivalents	37.78	-	-	-	-	37.78	-
iv. Bank balances other than (iii) above	-	-	-	-	-	-	-
v. Others	10.65	-	-	-	-	10.65	-
<b>Total</b>	<b>2,920.57</b>	-	<b>468.56</b>	-	-	<b>2,920.57</b>	<b>468.56</b>

**Liabilities:**

<b>Non-Current</b>							
i. Borrowings	197.70	-	-	-	-	197.70	-
ii. Lease Liability	-	-	-	-	-	-	-
<b>Current liabilities</b>							
i. Borrowings	-	-	-	-	-	-	-
ii. Trade payables	1.67	-	-	-	-	1.67	-
iii. Other financial liabilities	135.86	-	-	-	-	135.86	-
iv. Lease Liability	10.46	-	-	-	-	10.46	-
<b>Total</b>	<b>345.69</b>	-	-	-	-	<b>345.69</b>	-

The carrying value and fair value of financial instruments by categories as of 31 March 2023 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Assets:</b>							
<b>Non-Current</b>							
i. Investments	2,791.55	-	-	-	-	2,791.55	-
<b>Current</b>							
i. Investments	-	-	394.53	-	-	-	394.53
ii. Trade receivables	16.33	-	-	-	-	16.33	-
iii. Cash and cash equivalents	24.99	-	-	-	-	24.99	-
iv. Bank balances other than (iii) above	-	-	-	-	-	-	-
v. Others	16.26	-	-	-	-	16.26	-
<b>Total</b>	<b>2,849.11</b>	-	<b>394.53</b>	-	-	<b>2,849.11</b>	<b>394.53</b>
<b>Liabilities:</b>							
<b>Non-Current</b>							
i. Borrowings	254.00	-	-	-	-	254.00	-
ii. Lease Liability	13.91	-	-	-	-	13.91	-
<b>Current liabilities</b>							
i. Borrowings	-	-	-	-	-	-	-
ii. Trade payables	6.05	-	-	-	-	6.05	-
iii. Other financial liabilities	140.96	-	-	-	-	140.96	-
iv. Lease Liability	6.80	-	-	-	-	6.80	-
<b>Total</b>	<b>421.72</b>	-	-	-	-	<b>421.72</b>	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2024:

Fair value measurement using					
	Date of valuation	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
		(Level 1)	(Level 2)	(Level 3)	
<b>Current</b>					
(i) Investments	31-Mar-24	468.56	-	-	468.56
<b>Total</b>		<b>468.56</b>	-	-	<b>468.56</b>

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023:

Fair value measurement using					
	Date of valuation	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
		(Level 1)	(Level 2)	(Level 3)	
<b>Current</b>					
(i) Investments	31-Mar-23	394.53	-	-	394.53
<b>Total</b>		<b>394.53</b>	-	-	<b>394.53</b>

**Note 27: Expenditure in foreign currency**

Particulars	March 31, 2024	March 31, 2023
Expenditure in foreign currency	-	-

**Note 28: Exceptional items**

In case of subsidiary:

(a) Aranya Agri Biotech LLP had accumulated losses of Rs. 14.91 Crores till March 31 2023 and Rs. 0.19 crore in the current year up to March 31, 2024. In light of the accumulated losses and business scenario going forward, Board has approved the plan for discontinuation of operations of the LLP and the Assets of the LLP have been transfer to Asset held for sale w.e.f Quarter ended September-2023.

(b) Biospan Scientific LLP had accumulated losses of Rs.1.57 Crores as at 31st March 2019, resulting in substantial erosion of the net worth of the LLP. Hence the Management had decided to impair the investment and Rs. 1.83 Crores were provided in the books of the Company and was treated as an exceptional item during the year 2018-19. Notwithstanding the above, the financial results of the LLP has been prepared on going concern basis as

Management is exploring the possibilities to revive the LLP on its own or by entering in to business tie-ups and it endeavours to be able to establish profitable operation.

(c) Biospan Contamination Control Solution Pvt Ltd had accumulated losses of Rs.5.71 Crores till March 31, 2024. As on that date the subsidiary Company's total liabilities exceeded its total assets by Rs. 5.61 Crores. Notwithstanding the above, the financial results of the subsidiary Company has been prepared on going concern basis as Management believes that the company would be able to establish profitable operation and the losses incurred is attributable to factors of temporary nature. Further, Management is confident that with appropriate product license, the Company will achieve adequate revenue and negative net worth would turn positive by 2025.

**Note 29: Lease accounting as per Ind AS 116**

Effective April 1, 2019, the Company has adopted Ind AS 116, Leases and applied the standard to its Leases using the modified retrospective approach. Accordingly, the Company has not restated comparative information.

This has resulted in recognising a lease liability measured at present value of the remaining lease payments and a corresponding Right-of-Use (ROU) asset as if the lease has been commenced w.e.f. 1st April 2019. The Company discounted remaining lease payments using the lessee's incremental borrowing rate as at 1st April 2019. The Company has also elected not to apply the requirements of Ind AS 116 to short term leases and leases for which underlying asset is of low value. In the results for the current period, the nature of expenses in respect of Operating lease has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability.

**Note 30:**

In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentive including additional depreciation and accumulated depreciation. The Company is evaluating this option and continues to recognise the taxes on income for the year ended 31st March 2024 as per the earlier provisions.

**Note 31:**

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

**Note 32: Key Financial Ratios:**

Ratio	Numerator	Denominator	Current Year	Previous Year	% of Variance	Reasons for Variances
Current ratio	Current Assets	Current Liabilities	3.24	2.49	30.28%	Due to Increase in Investment value & Decrease in Provision and payable for employee benefit.
Debt-equity ratio	Total Debt	Shareholder's Equity	0.13	0.15	(17.33)%	Due to decrease in overall debt and increase in reserve and surplus.
Debt service coverage ratio	Earnings available for debt service	Debt Service	-	-	-	-
Return on equity ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.27	(0.61)	(144.73)%	Due to positive net profit attributable to unrealised gain on Investment, part recovery against impairment of Investment made in past etc...
Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	-	-	-	Not Applicable
Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	-	-	-	No Trading Activities
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	-	-	-	No Trading Activities
Net capital turnover ratio	Net Sales	Working Capital	-	-	-	No Trading Activities
Net profit ratio	Net Profit	Net Sales	78.26%	(170.99)%	(145.77)%	Due to positive net profit attributable to unrealised and realised gain on Investment, part recovery against Investment made in past etc...
Return on capital employed	Earnings before interest and taxes	Capital Employed	3.90%	2.28%	71.00%	Due to improved Profit.
Return on investment	Income (Finance)	Investments	23.76%	5.35%	344.06%	Due to increase in financial Investment.

As per our report of even date

**For Y B Desai & Associates**  
Chartered Accountants  
Firm Registration No: 102368W

**Mayank Y Desai**  
**Partner**  
Membership No: 108310  
UDIN: 24108310BKALNS3907  
Date: May 16, 2024  
Place: Surat

**For and on behalf of the Board of Directors**  
**Span Divergent Limited**

**Viral P Desai**  
**Managing Director**  
**DIN: 00029219**

**Paras Desai**  
**Whole time Director & CFO**  
**DIN: 08293906**

**Dr. Pradip K Desai**  
**Director**  
**DIN: 00026451**

**Urvi Shinde**  
**Company Secretary**  
Date: May 16, 2024  
Place: Surat

## INDEPENDENT AUDITOR'S REPORT

### To The Members of SPAN DIVERGENT LIMITED REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying consolidated financial statements of SPAN DIVERGENT LIMITED (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

We have determined the matters described below to be the key audit matters to be communicated in our report,

#### 1. Valuation of Biological Assets (Refer Note 6 to the Consolidated financial Statements)

The Group held Biological Assets, which includes tissue culture plants, of which sales have been made during year and Value of Rs. 0 as at March 31, 2024 through a subsidiary LLP namely Aranya Agri Biotech LLP.

The value of Biological Assets is measured at fair value less costs to sell. The fair value is determined using discounted cash flows based on forecast by management. These discounted cash flows require estimates of growth/multiplications, mortality of tissue culture plants, sales price and costs.

Due to the level of judgment involved in the valuation of Biological Assets, complexity of the governance structure as well as the significance of Biological Assets to the Group's financial position, this is considered to be a key audit matter.

#### In view of the above significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: -

As part of our audit procedures, we have gained understanding over the management review and monitoring controls for interpretation of group policy and Ind AS 41 Agriculture.

- We have assessed the key assumptions contained within the fair value calculations including sales price assumptions, growth/multiplications, mortality assumptions and discount rates.
- Evaluated the Group's input used in calculating the estimated cash flows of tissue culture plant, through observation to internal supporting documentation and their reasonableness against external data;
- We have assessed and performed procedures around management's accounting of the impact of Biological Assets valuation;
- Tested the mathematical accuracy of the calculations;
- Assessed the historical accuracy of forecasting and estimation by comparing prior year estimate to actual performance.

We have assessed the appropriateness of presentation in the consolidated financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibilities for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The Boards of Directors of the Holding Company included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Group (Holding Company and Subsidiary) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, based on our audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**" which is based on the auditors' reports of the Holding Company and its subsidiary company incorporated in India respectively. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statement those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The consolidated financial statements disclose the impact of pending litigations on financial position of the Group.
  - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For Y. B. Desai and Associates**  
**Chartered Accountants**  
**Firm Registration No. 102368W**

**Mayank Y. Desai**  
**Partner**  
**Membership No.: - 10831**  
**UDIN:- 24108310BKALNV1087**

**Date: 16<sup>th</sup> May, 2024**  
**Place: Surat**

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of SPAN DIVERGENT LIMITED of even date)**

### **Report on the Internal Financial Controls reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of **SPAN DIVERGENT LIMITED** (hereinafter referred to as the “Holding Company”) and its subsidiary company, which is company incorporated in India, as of that date. Management’s Responsibility for Internal Financial Controls

#### **Management’s Responsibility for Internal Financial Controls**

The respective Boards of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”) and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and in terms of other auditor report referred to in paragraph of the Other Matters below, the audit evidence obtained by them, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on auditor’s report of the Subsidiary Company, incorporated in India, , have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For Y. B. Desai and Associates**

**Chartered Accountants  
Firm Registration No. 102368W**

**Mayank Y. Desai  
Partner  
Membership No. : - 108310  
UDIN: - 24108310BKALNV1087**

**Date: 16<sup>th</sup> May, 2024  
Place: Surat**



**SPAN DIVERGENT LIMITED**  
(Formerly Span Diagnostics Limited)  
**Consolidated Balance Sheet as at March 31, 2024**

(Amount in INR Lacs)

	Notes	March 31, 2024	March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,038.79	1,218.22
Right-of-use-assets	3	33.90	62.13
Capital work-in-progress	3	-	-
Investment properties	4	-	26.29
Goodwill	5	-	2.49
Other intangible assets	5	2.19	3.07
Intangible assets under development	5	-	-
Biological assets other than bearer plants	6	-	-
Financial assets			
i. Investments			
ii. Others	7(d)	50.08	47.31
Deferred tax assets (Net)	8(a)	41.59	37.75
Assets classified as held for sale	3	45.15	-
<b>Total non-current assets</b>		<b>1,211.70</b>	<b>1,397.26</b>
<b>Current assets</b>			
Inventories	9	118.20	160.56
Financial assets			
i. Investments	7(a)	468.56	394.53
ii. Trade receivables	7(b)	155.48	189.92
iii. Cash and cash equivalents	7(c)(i)	92.51	39.90
iv. Bank balances other than (iii) above	7(c)(ii)	-	-
v. Others	7(d)	32.10	35.90
Current tax Assets (Net)		84.00	80.30
Other current assets	10	256.14	260.84
<b>Total current assets</b>		<b>1,206.99</b>	<b>1,161.95</b>
<b>Total assets</b>		<b>2,418.69</b>	<b>2,559.21</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11(a)	546.17	546.17
Other equity	11(b)	(734.91)	(830.05)
Non-Controlling Interest		(568.03)	(551.93)
		<b>(756.77)</b>	<b>(835.81)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
i. Borrowings	12(a)	341.41	483.88
ii. Lease Liability		22.13	48.64
iii. Other financial liabilities			
Provisions	13	48.65	17.88
Deferred tax liabilities (Net)	8(b)	32.61	26.37
Other Non-current liabilities		29.84	33.33
<b>Total non-current liabilities</b>		<b>474.64</b>	<b>610.10</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	12(a)	517.77	509.89
ii. Lease Liability		29.92	72.65
iii. Trade payables			
(a) Total outstanding dues of Micro enterprises and Small enterprises.	12(c)	25.36	26.89
(b) Total outstanding dues of creditors other than Micro enterprises and Small enterprises.	12(c)	250.10	240.35
iv. Other financial liabilities	12(b)	152.76	181.81
Other current liabilities	14	29.45	27.76
Provisions	13	1695.46	1725.57
<b>Total current liabilities</b>		<b>2,700.82</b>	<b>2,784.92</b>
<b>Total liabilities</b>		<b>3,175.46</b>	<b>3,395.02</b>
<b>Total equity and liabilities</b>		<b>2,418.69</b>	<b>2,559.21</b>
Corporate information & Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements.

In terms of our report attached  
**For Y B Desai & Associates**  
Chartered Accountants  
Firm Registration No: 102368W

**Mayank Y Desai**  
Partner  
Membership No: 108310

UDIN: 24108310BKALNV1087  
Date: May 16, 2024  
Place: Surat

**For and on behalf of the Board of Directors**  
**Span Divergent Limited**

**Viral P Desai**  
Managing Director  
DIN: 00029219

**Dr. Pradip K Desai**  
Director  
DIN: 00026451

**Paras Desai**  
Whole Time  
Director & CFO  
DIN: 08293906

**Urvi Shinde**  
Company Secretary  
Date: May 16, 2024  
Place: Surat

**SPAN DIVERGENT LIMITED**  
(Formerly Span Diagnostics Limited)  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2024** (Amount in INR Lacs)

	Notes	March 31, 2024	March 31, 2023
<b>Continuing operations</b>			
Revenue from operations	15	1,233.26	1,252.48
Other income	16	201.70	65.66
<b>Total Income</b>		<b>1,434.96</b>	<b>1,318.14</b>
<b>Expenses</b>			
Cost of materials consumed	17(a)	0.09	17.39
Purchases of stock-in-trade	17(b)	171.67	143.55
Changes in inventories of work-in-progress, stock-in-trade and finished goods	17(c)	36.80	24.15
Employee benefit expense	18	229.50	249.66
Finance costs	19	71.91	99.95
Depreciation and amortisation expense	20	164.45	216.78
Other expenses	21	689.18	707.98
<b>Total expenses</b>		<b>1,363.60</b>	<b>1,459.46</b>
<b>Profit before exceptional items and tax</b>		<b>71.36</b>	<b>(141.32)</b>
Exceptional items	32	8.50	(410.83)
<b>Profit/(Loss) before tax</b>		<b>79.86</b>	<b>(552.15)</b>
Tax expense	22		
- Current tax		-	-
- Deferred tax		1.80	(9.89)
<b>Profit/(Loss) for the period from continuing operations</b>		<b>78.06</b>	<b>(542.26)</b>
<b>Profit for the year attributable to:</b>			
(a) Owners of the Company		97.55	(505.46)
(b) Non-Controlling Interest		(19.50)	(36.80)
		78.05	(542.26)
<b>Other comprehensive income</b>			
Remeasurement costs of post-employment benefits		1.58	(0.47)
Deferred tax on post-employment		(0.59)	0.08
<b>Other comprehensive income for the year, net of tax</b>		<b>0.99</b>	<b>(0.40)</b>
<b>Other comprehensive income for the year attributable to:</b>			
(a) Owners of the Company		(2.52)	0.72
(b) Non-Controlling Interest		3.50	0.10
		<b>0.98</b>	<b>0.82</b>
<b>Total comprehensive income for the year</b>		79.05	(542.66)
<b>Total comprehensive income for the year attributable to:</b>			
(a) Owners of the Company		95.04	(505.96)
(b) Non-Controlling Interest		(15.99)	(36.70)
		79.05	(542.66)
Earnings per equity share for profit from operation attributable to owners of the			
Basic earnings per share	25	1.43	(9.93)
Diluted earnings per share	25	1.43	(9.93)
Corporate information & Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements.  
In terms of our report attached

**For and on behalf of the Board of Directors**  
**Span Divergent Limited**

**For Y B Desai & Associates**  
Chartered Accountants  
Firm Registration No: 102368W

\_\_\_\_\_  
**Viral P Desai**  
Managing Director  
DIN : 00029219

\_\_\_\_\_  
**Dr. Pradip K Desai**  
Director  
DIN : 00026451

\_\_\_\_\_  
**Mayank Y Desai**  
Partner  
Membership No: 108310  
UDIN: 24108310BKALNV1087  
Date: May 16, 2024  
Place: Surat

\_\_\_\_\_  
**Paras Desai**  
Whole Time Director & CFO  
DIN: 08293906

\_\_\_\_\_  
**Urvi Shinde**  
Company Secretary

Date: May 16, 2024  
Place: Surat

**SPAN DIVERGENT LIMITED**  
(Formerly Span Diagnostics Limited)

**Consolidated Statement of Cash Flows for the year ended March 31, 2024**

(Amount in INR Lacs)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Profit before income tax</b>	<b>79.86</b>	<b>(552.15)</b>
Adjustments for		
Depreciation and amortisation expense	164.45	216.78
Capital Assets Written off	19.19	-
Rental Income	(47.98)	(43.26)
Interest Income	(6.11)	(7.07)
Gain on Sale of Investments	(69.91)	(0.37)
Unrealised Gain/Loss on Biological Assets/Investments		
Finance Cost	71.91	99.95
Balance Written Back	9.88	41.19
Gain /Loss on Sale of Fixed Assets	13.84	(2.46)
Impairment of Investments	(8.50)	410.83
<b>Change in operating assets and liabilities:</b>		
(Increase)/Decrease in trade receivables	34.44	(32.32)
(Increase)/Decrease in Inventory	42.35	17.07
(Increase)/Decrease in Biological Assets	-	21.33
Increase in trade payables	8.22	55.12
(Increase) in other financial assets	1.03	76.75
(Increase)/decrease in other non-current assets	0.11	(0.11)
(Increase)/decrease in other current assets	4.70	(38.52)
Increase/(decrease) in provisions	0.89	11.91
Increase/(decrease) in other financial liabilities	(26.18)	30.68
Increase in other current liabilities	(38.22)	(102.85)
<b>Cash generated from operations</b>	<b>253.97</b>	<b>202.50</b>
Income taxes paid	(3.70)	(4.74)
<b>Net cash inflow from operating activities</b>	<b>250.27</b>	<b>197.76</b>
<b>Cash flows from investing activities</b>	<b>-</b>	<b>-</b>
Proceeds / (Purchase) from sale of investments	(4.11)	13.11
Purchase of property, plant and equipment	-	(17.46)
Proceeds from sale of property, plant and equipment	(38.25)	3.50
Rental Income	47.97	43.26
Interest received	6.11	10.70
<b>Net cash outflow from investing activities</b>	<b>11.72</b>	<b>53.11</b>
<b>Cash flows from financing activities</b>	<b>-</b>	<b>-</b>
Proceeds/Repayment from borrowings	(137.47)	(130.43)
Proceeds/Repayment from other financial assets	-	-
Interest paid	(71.91)	(99.95)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(209.38)</b>	<b>(230.38)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>52.61</b>	<b>20.49</b>
Cash and cash equivalents at the beginning of the financial year	39.90	19.41
<b>Cash and cash equivalents at end of the year</b>	<b>92.51</b>	<b>39.90</b>
	<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
Balances with banks		
- in current accounts	92.22	38.00
Cash on hand	0.29	1.90
<b>Balances per statement of cash flows</b>	<b>92.51</b>	<b>39.90</b>
Corporate information & Summary of significant accounting policies 1&2		

The Amendments to Ind AS 7 Statement of Cash Flow requires the entities to provide disclosures that enables users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flow and Non cash Changes, suggesting inclusion of a reconciliation between the opening and closing balances in balance sheet for liabilities arising from financing activities. The Required discloser is made below:

Particulars	As at 31st March 2023	Cash Flow		Non-Cash Charges		As at 31st March 2024
		Precedes	Repayments	Fair value Changes	Current / Non-Current Classification	
Loan Term Borrowing (Current & Non- Current)	993.78	-	134.60	-	-	859.18
<b>Short Term Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The accompanying notes are an integral part of the financial statements.

In terms of our report attached

**For Y B Desai & Associates**

Chartered Accountants

Firm Registration No: 102368W

**Mayank Y Desai**

**Partner**

Membership No: 108310

UDIN: 24108310BKALNV1087

Date: May 16, 2024

Place: Surat

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

**Span Divergent Limited**

**Viral P Desai**  
**Managing Director**  
**DIN : 00029219**

**Paras Desai**  
**Whole Time Director & CFO**  
**DIN: 08293906**

**Dr. Pradip K Desai**  
**Director**  
**DIN : 00026451**

**Urvi Shinde**  
**Company Secretary**

Date: May 16, 2024

Place: Surat

**SPAN DIVERGENT LIMITED**  
(Formerly Span Diagnostics Limited)  
**Consolidated Statement of changes in equity for the year ended March 31, 2024**

(Amount in INR Lacs)

**a. Equity share capital**

	Notes	Amount
Issue of Share Capital	11	
<b>As at March 31, 2022</b>		546.17
Issue of Share Capital	11	
<b>As at March 31, 2023</b>		546.17

**b. Other Equity**

	Reserves and Surplus		
	Capital Redemption Reserve	Capital Reserve	Retained Earnings
<b>Opening Balance as on April 01, 2022</b>	<b>181.43</b>	<b>42.06</b>	<b>(547.58)</b>
Add: Loss for the year	-	-	(505.46)
Total Comprehensive Income for the year	-	-	(0.50)
transition opening Impact of Implementation of Ind AS 116 Leases	-	-	-
<b>Balance as on 31.03.2023</b>	<b>181.43</b>	<b>42.06</b>	<b>(1,053.53)</b>
Add: Loss for the year	-	-	97.55
Other Comprehensive Income for the year	-	-	(2.42)
<b>Balance as on 31.03.2024</b>	<b>181.43</b>	<b>42.06</b>	<b>(958.40)</b>

The accompanying notes are an integral part of the financial statements.  
In terms of our report attached

**For Y B Desai & Associates**  
Chartered Accountants  
Firm Registration No: 102368W

**For and on behalf of the Board of Directors**  
**Span Divergent Limited**

\_\_\_\_\_  
**Viral P Desai**  
Managing Director  
DIN: 00029219

\_\_\_\_\_  
**Dr. Pradip K Desai**  
Director  
DIN: 00026451

\_\_\_\_\_  
**Mayank Y Desai**  
Partner  
Membership No: 108310  
UDIN: 24108310BKALNV1087  
Date: May 16, 2024  
Place: Surat

\_\_\_\_\_  
**Paras Desai**  
Whole Time Director & CFO  
DIN: 08293906

\_\_\_\_\_  
**Urvi Shinde**  
Company Secretary

Date: May 16, 2024  
Place: Surat

## SPAN DIVERGENT LIMITED

### Consolidated Notes to financial statements for the year ended March 31, 2024 (All amounts are in Indian Rupees in Lacs except for share data or otherwise stated)

#### 1. Corporate information

Span Divergent Limited is Public Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. Its shares are listed on Bombay Stock Exchange. The Company has sold its In-Vitro Diagnostics Business Undertaking on March 05, 2015 and has invested in Cashew Processing, Plant Tissue Culture and Trading of consumables used in Pharma / Biotech Industries.

#### 2. Statement of significant accounting policies

##### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. The subsidiary Entity considered in the consolidated financial statements are;

Name of Subsidiary	Country of Incorporation	Portion of Ownership Interest
Biospan Contamination Control Solutions Pvt Ltd.	India	67%
Aranya Agri Biotech LLP	India	99%
Dryfruit Factory LLP	India	99%
Biospan Scientific LLP	India	99%
Span Diagnostics LLP	India	99%
Desai Farmharvest LLP	India	99%

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

Non-controlling Interest's share in net asset of subsidiary company for the year is identified and presented in consolidated balance sheet separate from liabilities and equity of company's shareholders.

##### 2.2 Summary of significant accounting policies

###### (a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

###### (b) Functional and presentation currency

The financial statements are presented in INR which is also the Company's functional currency.

###### (c) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

###### (d) Revenue recognition

a. The Company recognise revenue on the sale of products when risks and rewards of the ownership are transferred to the customer. Sales are accounted net of amount recovered towards, sales tax and sales returns.

b. Sales returns are accounted on actual receipt of return goods / settlement of claims.

c. Interest income is recognised on pro-rate basis.

d. Income from mutual funds is recognised when the Company's right to receive the payment is established, and unit holders' right to receive payment is established.

(e) **Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Minimum Alternate Tax (MAT)**

Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(f) **Property, plant and equipment**

Under the previous GAAP (Indian GAAP), Property, Plant and Equipment were carried in the balance sheet at cost of acquisition. The Company has elected to regard those values of assets as deemed cost at the date of the acquisition since they were broadly comparable to fair value. The Company has also determined that cost of acquisition or construction does not differ materially from fair valuation as at April 01, 2016 (date of transition to Ind AS).

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation is calculated on a written down value method over the estimated useful lives as per Schedule 2 of The Companies Act, 2013

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end and adjusted prospectively, if appropriate.

(g) **Intangible Assets**

Intangible assets are measured at cost. Lump sum fees for technical know-how is amortised over the period of agreement or as per management's best estimate of useful life but not exceeding 10 years.

(h) **Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount

that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**(i) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

**(j) Provisions**

**General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**(k) Employee Benefits**

**a. Retirement Benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

**b. Compensated Expenses**

The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the period-end/ year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

**c. Other Short-term benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(l) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**Equity investments:**

In respect of equity investments, when an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries and associates either:

- (a) at cost; or
- (b) in accordance with Ind AS 109.

If a first-time adopter measure such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

- (a) cost determined in accordance with Ind AS 27; or
- (b) deemed cost. The deemed cost of such an investment shall be its:
  - (i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or
  - (ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary or associate that it elects to measure using a deemed cost.

Since the company is a first time adopter it has measured its investment in subsidiary and associate at deemed cost in accordance with Ind AS 27 by taking previous GAAP carrying amount.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a) the rights to receive cash flows from the asset have expired, or
- b) the Company has transferred its rights to receive cash flows from the asset, and
  - i. the Company has transferred substantially all the risks and rewards of the asset, or
  - ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18
- c) Loan commitments which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

► All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

► Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

► Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

► Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

#### **Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 12.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

<b>Original classification</b>	<b>Revised classification</b>	<b>Accounting treatment</b>
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.



Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

**(m) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**(n) Segment Reporting**

"The Board of Directors assess the financial performance of the Company and make strategic decisions and has been identified as being the Chief Operating Decision Maker (CODM). Based on the internal reporting provided to the CODM. The Company has identified following business segments as reportable segments. (i) Cashew processing (ii)Tissue Culture (iii)Trading.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment, if any have been allocated based on associated revenue of the segment. All other expenses if any, which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Property, plant, and equipment that are used interchangeably among segments are not allocated to reportable segments."

**(o) Leases**

The Company has implemented the Ind AS 116 "Leases" as notified by Ministry of Corporate Affairs on 30th March 2019 through the Companies (Indian Accounting Standard) Amendment Rules, 2019.

The Company has applied the standard w.e.f. accounting period commenced on or after April 1, 2019 to its Leases using the modified retrospective approach, therefore previous period comparative figures are not adjusted in the financial statements. This has resulted in recognising a lease liability measured at present value of the remaining lease payments and a corresponding Right-of-Use (ROU) asset as if the lease has been commenced w.e.f. 1st April 2019. The Company discounted remaining lease payments using the lessee's incremental borrowing rate as at 1st April 2019. The Company has also elected not to apply the requirements of Ind AS 116 to short term leases and leases for which underlying asset is of low value. In the results for the current period, the nature of expenses in respect of Operating lease has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. The rights of use assets are depreciated on a straight-line basis over a lease term. The net impact of this adoption is not material on the earnings per share. The other amendments encompass various guidance and clarifications which affect disclosures.

In connection with the transition to the new standard, management has applied judgement and formed assumptions in relation to assessing the incremental borrowing rate, service components and extension options of leasing arrangements. Management has formed its judgements and assumptions based on historical experience, internal and external available information and data.

A contract or parts of contracts that conveys the right to control the use of an identified asset for a period of time in exchange for payments to be made to the owners (lessors) are accounted for as leases. Contracts are assessed to determine whether a contract is, or contains, a lease at the inception of a contract or when the terms and conditions of a contract are significantly changed.

Where the Company is the lessee in a lease arrangement at inception, the lease contracts are recognized as rights-of use assets and lease liabilities are measured at present value of lease payments at initial recognition except for short-term leases and leases of low value. The rights of use assets are depreciated on a straight-line basis over a lease term. Lease payments are discounted using the interest rate implicit in the lease. If that rate is not readily available, the incremental borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Payments associated with short-term leases and leases of low-value assets are recognised as an expense in profit & loss Account.

Where the Company is the lessor in a lease arrangement at inception, the lease arrangement will be classified as a finance lease or an operating lease. Classification is based on the extent to which the risks and rewards incidental to ownership of the underlying asset lie with the lessor or the lessee. Under operating lease, where the Company is the lessor, the assets are included in the balance sheet and, where applicable, are depreciated in accordance with the Company's depreciation policies as set out in Note 3 Property, plant and equipment. Revenue arising from assets leased out under operating leases is recognised on overtime basis.

**(p) Earnings per Share**

The Basic earnings per Share ("EPS") is computed by dividing the net profit/(loss) after tax for the year attributable to equity share holder by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit after tax for the period attributable to the equity shareholders of the Company by weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

**(q) Biological Assets**

**Tissue Culture Plants:** The Group sells tissue culture plants of banana, pomegranate and others to its customers. Tissue culture is a process where, propagation of plant by using a plant part, single cell or group cell is done in a controlled laboratory environment. Tissue culture propagation primarily involves initiation of aseptic cultures of part taken from mother plant, multiplication of the plant to the desired scale, induction of roots to primary & secondary hardening. The aseptic culture which are planted in a test tube in a control environment which will be sold subsequently after primary & secondary hardening are accounted for following Ind AS 41, Agriculture at fair value less cost to sell. Here fair value has been derived based on the project cash flow during the process cycle applying discounting factor as process cycle is more than 12 months. Plants after completion of primary and secondary hardening are transferred to inventory at fair value less cost to sell after applying the discounting factor. Cost to sell include the incremental selling cost, commission, transportation cost, fees excluding finance costs and income taxes. Changes in the fair value of biological assets are recognized, where ever applicable in Statement of Profit and Loss. Direct cost such as laboratory cost, Research and development cost & etc. are expensed as incurred.

**(r) Inventories**

Raw materials and stores, work in progress, traded and finished goods are stated at the lower cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory arrived on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(s) Cash Flows**

Cash flows are reported using indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accrual of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**(t) Additional regulatory information**

(a) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year or The Company does not have any transactions with companies struck off.

(b) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(c) The Company has not traded or invested in crypto currency or virtual currency during the year.

**Note 3: Property, plant and equipment and Capital work-in-progress**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Carrying amount of:</b>		
Freehold land*	107.03	109.53
Computers	0.58	0.44
Office equipment	2.63	2.71
Buildings & Roads	683.03	737.77
Vehicles	2.67	3.62
Electrical Installations	17.12	24.58
Leasehold Improvements	-	6.08
Furniture and fixtures	8.15	13.42
Plant and Machinery	200.69	275.92
Shed Building	0.67	11.27
R&D Equipment	-	0.87
Green House Site	-	10.10
Compound Wall	16.23	21.89
<b>Total Tangible assets</b>	<b>1,038.79</b>	<b>1,218.22</b>

**Note 3.1 Property, plant and equipment**

Description of Assets	Freehold land	Computers	Office equipment	Buildings & Roads	Vehicles	Electrical Installations	Leasehold Improvements	Furniture and fixtures	Plant and Machinery	Shed Building	R&D Equipment	Green House Site	Compound Wall	Total
<b>At Cost</b>														
<b>Opening</b>														
Balance April 01 2022	109.53	15.82	48.02	1,245.65	68.30	119.56	35.62	70.88	718.49	21.27	17.38	47.36	102.13	2620.01
Additions	-	-	-	-	-	0.18	-	-	16.79	-	-	-	-	16.97
Deletions	-	-	-	-	9.32	-	-	-	0.25	-	-	-	-	9.57
March 31, 2023	109.53	15.82	48.02	1,245.65	58.98	119.74	35.62	70.88	735.03	21.27	17.38	47.36	102.13	2627.41
Additions	-	-	0.53	-	-	0.50	-	-	26.94	-	-	-	-	27.97
Deletions	2.50	0.61	4.88	15.82	-	5.48	8.75	4.00	88.15	19.29	17.38	47.36	-	214.20
March 31, 2024	107.03	15.21	43.68	1,229.83	58.98	114.77	26.87	66.88	673.82	1.98	-	-	102.13	2441.19
<b>Depreciation</b>														
<b>Opening</b>														
Balance April 01, 2022	-	15.33	44.61	442.04	61.71	86.56	28.94	52.94	406.30	6.54	16.50	35.19	72.60	1269.26
Charge for the year	-	0.04	0.70	65.84	1.58	8.61	0.60	4.52	53.01	3.46	-	2.06	7.64	148.06
Deletions	-	-	-	-	7.92	-	-	-	0.20	-	-	-	-	8.12
March 31, 2023	-	15.37	45.31	507.88	55.36	95.17	29.54	57.46	459.11	10.00	16.50	37.25	80.24	1409.20
Charge for the year	-	0.02	0.16	59.11	0.95	6.25	0.22	3.33	46.66	1.03	-	0.85	5.67	124.25
Deletions	-	0.76	4.42	64.67	-	3.77	2.90	2.06	33.30	9.71	16.51	38.10	-	176.18
March 31, 2024	-	14.64	41.05	502.31	56.31	97.65	26.87	58.73	472.47	1.32	-	-	85.91	1357.25
<b>Assets Classified as held for sale</b>														
March 31, 2024	-	-	-	44.50	-	-	-	-	0.65	-	-	-	-	45.15
<b>Net Block</b>														
March 31, 2023	109.53	0.44	2.71	737.77	3.62	24.58	6.08	13.42	275.92	11.27	0.87	10.10	21.89	1,218.22
March 31, 2024	107.03	0.58	2.63	683.03	2.67	17.12	-	8.15	200.69	0.67	-	-	16.23	1,038.79

\* Land has been pledged as security for borrowings.

## CAPITAL WORK-IN-PROGRESS

### Ageing of Capital work-in-progress (Amount Rs.)

As at 31st March, 2024					
Projects in progress	< 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
	-	-	-	-	-

As at 31st March, 2023					
Projects in progress	< 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
	-	-	-	-	-

### LEASED ASSETS

Particulars	As on March 31, 2024	As on March 31, 2023
<b>Gross Carrying Value</b>	<b>269.99</b>	<b>269.99</b>
Additions	-	-
Deletions	-	-
Closing Balance	269.99	269.99
<b>Accumulated Depreciation</b>		
Opening Balance	207.86	149.78
Depreciation charge for the year	28.23	58.08
Depreciation on deletion	-	-
Closing Balance	236.09	207.86
<b>Net Block</b>	<b>33.90</b>	<b>62.13</b>

### Note 4: Investment properties

Particulars	March 31, 2024	March 31, 2023
Carrying amount		
Opening carrying amount / Deemed cost	138.15	138.15
Additions	-	-
Deletion	138.15	-
Closing carrying amount	-	138.15
Accumulated depreciation		
Opening accumulated depreciation	111.86	101.56
Depreciation charge	5.96	10.30
Deletion	117.82	111.86
Closing accumulated depreciation	-	-
Net carrying amount	-	26.29

#### (i) Amounts recognised in profit or loss for investment properties

Particulars	March 31, 2024	March 31, 2023
Rental income	1.75	3.39
Direct operating expenses from property that generated rental income	0.52	0.52
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	1.23	2.87
Depreciation	5.96	10.30
Profit from investment properties	(4.73)	(7.43)

#### (ii) Fair value

Particulars	March 31, 2024	March 31, 2023
Investment properties	-	138.15

### Estimation of fair value

The Company assesses for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties.

### Note 5: Intangible assets and Intangible under Development

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Carrying amount of:</b>		
Goodwill	-	2.49
<b>Other Intangible Asset</b>		
Software	0.09	0.04
Intellectual Property	-	0.16
Trademark	2.10	2.87
<b>Total Other Intangible Asset</b>	<b>2.19</b>	<b>3.07</b>
Intangible Under Development	-	-
<b>Total Intangible assets</b>	<b>2.19</b>	<b>5.56</b>

**Note 5.1: Intangible Assets**

Description of Assets	Software	Goodwill	Intellectual Property	Trademark	Total
<b>At Cost</b>					
Opening Balance April 01, 2022	1.91	49.75	2.00	7.49	61.15
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
<b>March 31, 2023</b>	<b>1.91</b>	<b>49.75</b>	<b>2.00</b>	<b>7.49</b>	<b>61.15</b>
Additions	-	-	-	-	-
Deletions	0.12	49.75	2.00	-	51.87
<b>March 31, 2024</b>	<b>1.79</b>	<b>-</b>	<b>-</b>	<b>7.49</b>	<b>9.28</b>
<b>Depreciation</b>					
Opening Balance	1.83	46.11	1.84	3.86	53.64
Charge for the year	0.04	1.15	0.0025	0.77	1.96
Deletions	-	-	-	-	-
<b>March 31, 2023</b>	<b>1.87</b>	<b>47.26</b>	<b>1.84</b>	<b>4.62</b>	<b>55.60</b>
Charge for the year	-	-	-	0.77	0.77
Deletions	0.17	47.26	1.84	-	49.27
<b>March 31, 2024</b>	<b>1.70</b>	<b>-</b>	<b>-</b>	<b>5.39</b>	<b>7.09</b>
<b>Net Block</b>					
March 31, 2023	0.04	2.49	0.16	2.87	5.56
March 31, 2024	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>2.10</b>	<b>2.19</b>

**Note 6: Biological Assets****Tissue culture plantations**

Particulars	March 31, 2024	March 31, 2023
Opening Balance	-	21.33
New Plantations	-	-
Change in fair value due to according transformation in Biological assets	-	21.33
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

**a. Estimates and judgements:**

Tissue culture plantations: Estimates and judgments in determining the fair value of tissue cultured plants relate to market prices, quality of plants, and mortality rates. The impact of discounting is considered material as the transformation cycle is more than 12 months and discounting rate based on the average cost of capital.

**b. Fair value information:**

The fair value measurements of Tissue culture plantations have been categorised as Level 3 fair values based on the inputs to the valuation techniques used. The following table shows the gain or losses recognised in relation to level 3 fair values.

Tissue culture plantations	March 31, 2024	March 31, 2023
Total gain / (loss) recognised in the Statement of Profit and Loss	-	21.33
Change in unrealised gain / (loss) recognised in the Statement of Profit and Loss	-	-
	-	21.33

**c. Valuation inputs and relationship to fair value:**

Particulars	March 31, 2024	March 31, 2023
Tissue culture plantations	-	-

(Measured at fair value less costs to sell estimating projected cash flows, impact of discounting considered material due to transformation cycle)

**Significant unobservable inputs:**

The Company's plantations are exposed to risk of damage from climate change, diseases. The Company has extensive processes in place aimed at monitoring and mitigating those risks. Further, the demand is subject to external climatic conditions. Management performs regular industry trend analysis for projected harvest volumes and pricing.

**Note 7: Financial assets****7(a) Current investments**

Investment in Mutual Fund	March 31, 2024	March 31, 2023
<b>Quoted</b>		
Axis banking & PSU Debt Fund - ICICI	166.67	155.87
ICICI Prudential Corporate Bond Fund-	189.35	176.18
ICICI Prudential Medium Term Bond Fund - Growth	65.19	60.66
HDFC Ultra Short-term Regular Plan Growth	0.05	-
ICICI Prudential Liquid Fund- Growth	47.30	1.82
<b>Total current investments</b>	<b>468.56</b>	<b>394.53</b>

7(b) Trade receivables	March 31, 2024	March 31, 2023
Trade receivables	155.48	189.92
Less: Allowance for doubtful debts	-	-
<b>Total receivables</b>	<b>155.48</b>	<b>189.92</b>
Current portion	155.48	189.92
Non-current portion	-	-

### Aging of Trade Receivables

Particulars	As at 31st March, 2024						Total
	Not Due	< 6 M	6 M to 1 year	1 to 2 years	2 to 3 years	> 3 years	
Undisputed Trade receivables – considered good / Services	54.32	77.60	2.50	3.06	-	15.68	153.16
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	2.33	2.33
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

Particulars	As at 31st March, 2023						Total
	Not Due	< 6 M	6 M to 1 year	1 to 2 years	2 to 3 years	> 3 years	
Undisputed Trade receivables – considered good/ Services	71.19	99.37	0.44	4.21	9.60	2.78	187.59
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	2.33	2.33
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

### 7 (c) (i) Cash and cash equivalents

Particulars	March 31, 2024	March 31, 2023
Balances with banks		
- in current accounts	92.22	38.00
Cash on hand	0.29	1.90
<b>Total cash and cash equivalents</b>	<b>92.51</b>	<b>39.90</b>

### 7 (c) (ii) Bank Balances Other than Cash and cash equivalents

Particulars	March 31, 2024	March 31, 2023
Other bank balance	-	-
Earmarked balances with banks for:	-	-
Unpaid Dividend	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 7 (d) Other financial assets

Particulars	March 31, 2024		March 31, 2023	
	Current	Non- current	Current	Non- current
Security deposits	14.14	-	14.44	-
Security deposits with Banks	2.01	50.08	2.01	47.31
Accrued Interest	5.95	-	5.45	-
Other Deposit	10.00	-	14.00	-
<b>Total other financial assets</b>	<b>32.10</b>	<b>50.08</b>	<b>35.90</b>	<b>47.31</b>

\*Regrouped – earlier grouped under other bank balance

### Note 8(a): Deferred tax Assets

The balance comprises temporary differences attributable to:	March 31, 2024	March 31, 2023
Defined benefit obligations gratuity and leave	15.10	23.36
Property, plant and equipment	26.49	14.39
<b>Deferred tax Assets</b>	<b>41.59</b>	<b>37.75</b>

### Note 8(b): Deferred tax Liabilities

The balance comprises temporary differences attributable to:	March 31, 2024	March 31, 2023
Defined benefit obligations gratuity and leave	(15.46)	(10.18)
Property, plant and equipment	(6.64)	(5.29)
Fair value of Investment	(10.51)	(10.90)
<b>Deferred tax (Liabilities)</b>	<b>(32.61)</b>	<b>(26.37)</b>

### Significant estimates

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

### Movement in deferred tax assets/ Liabilities for the year March 31, 2024

Particulars	Defined benefit obligations gratuity and leave	Property, plant and equipment	Fair value of Investment	Total
(Charged)/credited:				
- to profit or loss	(5.28)	(1.35)	0.38	(6.24)
<b>At March 31, 2024</b>	<b>(5.28)</b>	<b>(1.35)</b>	<b>0.38</b>	<b>(6.24)</b>

**Movement in deferred tax assets/ Liabilities for the year March 31, 2023**

Particulars	Defined benefit obligations gratuity and leave	Property, plant and equipment	Fair value of Investment	Total
(Charged)/credited:				
- to profit or loss	(7.48)	(0.70)	(3.62)	(11.80)
<b>At March 31, 2023</b>	<b>(7.48)</b>	<b>(070)</b>	<b>(3.62)</b>	<b>(11.80)</b>

**Note 9: Inventories**

Particulars	March 31, 2024	March 31, 2023
Raw materials	-	0.09
Finished goods	-	18.21
Traded goods	112.56	131.17
Consumables, Stores and spares and Packing materials	5.64	11.09
<b>Total inventories</b>	<b>118.20</b>	<b>160.56</b>

**Note 10: Other current assets**

Particulars	March 31, 2024	March 31, 2023
Prepaid expenses	1.69	2.49
Other Deposits	0.27	0.27
<b>Advances other than capital advances</b>		
Other Advances	46.97	55.03
Balance with Statutory Authorities	206.40	202.87
Others	0.81	0.18
<b>Total other current assets</b>	<b>256.14</b>	<b>260.84</b>

**Note 11: Equity share capital and other equity**
**11(a) Equity share capital**

(i) Authorised, Issued, Subscribed and paid-up equity share capital	March 31, 2024	March 31, 2023
<b>Authorised</b>		
15,000,000 Equity Shares of Rs. 10/- each (Previous year 15,000,000)	1500.00	1500.00
<b>Issued, Subscribed and paid-up</b>		
5,461,747 (Previous Year 5,461,747) Equity Shares of Rs.10/- each fully paid up	546.17	546.17
	<b>546.17</b>	<b>546.17</b>

**(ii) Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their holdings.

**(iii) Details of shareholders holding more than 5% shares in the company**

Name of Shareholder	March 31, 2024		March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
Pradipkumar Keshavlal Desai	23,35,806	42.77%	23,35,806	42.77%
Bharti Patel	5,75,333	10.53%	5,75,333	10.53%
Viral Pradipkumar Desai	6,88,015	12.60%	6,88,015	12.60%

**Shareholding of Promoter and Promoter Group March 31, 2024**

Name of Share Holder	31-03-2024		31-03-2023	
	Number of shares	% holding	Number of shares	% holding
Pradipkumar Keshavlal Desai	23,35,806	42.77	23,35,806	42.77
Viral Pradipkumar Desai	6,88,015	12.60	6,88,015	12.60
Gita Sureshbhai Desai	1,14,540	2.10	1,14,540	2.10
Sujata V Desai	1,01,576	1.86	1,01,576	1.86
Udaybhai Dhirubhai Desai	89,000	1.63	89,000	1.63
Manjulaben Prakashchandra Desai	-	-	-	-
Dr.Suresh Dinkarra Desai	33,720	0.62	33,720	0.62
Pranav S Desai	28,040	0.51	28,040	0.51
Prashant Suresh Desai	26,040	0.48	26,040	0.48
Shital Sarvajna Kazi	200	-	200	-
Udaybhai Dhirubhai Desai HUF	29,963	0.55	29,963	0.55
Prakash Dhirubhai Desai HUF	19,000	0.35	19,000	0.35
Pragati Kishor Shah	-	-	-	-
Span Finstock Pvt Ltd	-	-	-	-
Tejal Vivek Desai	30,000	0.55	30,000	0.55

(iv) No shares have bought back during the period of five years immediately preceding the reporting date

(v) No Shares have been issued for consideration other than cash during the period of last five years.

<b>11(b) Reserves and surplus</b>		
<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Capital Redemption Reserve	181.43	181.43
Capital Reserve	42.06	42.06
Retained earnings	(958.40)	(1,053.53)
<b>Total reserves and surplus</b>	<b>(734.91)</b>	<b>(830.05)</b>
<b>(i) Capital Redemption Reserve</b>		
Opening balance	181.43	181.43
<b>Closing balance</b>	<b>181.43</b>	<b>181.43</b>
<b>(ii) Capital Reserve</b>		
Opening balance	42.06	42.06
<b>Closing balance</b>	<b>42.06</b>	<b>42.06</b>
<b>(iii) Retained earnings</b>		
<b>Opening balance</b>	(1053.53)	(547.58)
Net profit for the period	97.55	(505.46)
transition opening Impact of Implementation of Ind AS 116 Leases	-	-
Items of other comprehensive income recognised directly in retained earnings	(0.10)	-
Remeasurements of post-employment benefit obligation, net of tax	(2.32)	(0.50)
Transfer to retained earnings of FVOCI equity investments, net of tax	-	-
<b>Closing balance</b>	<b>(958.40)</b>	<b>(1053.53)</b>

#### Note 12: Financial liabilities

<b>12(a) Non-current borrowings</b>					
	<b>Maturity date</b>	<b>Terms of repayment</b>	<b>Coupon/ Interest rate</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Secured Term loans from banks</b>	15th February, 2025	Repayment starts from first year and will be paid equal monthly instalment. For 1 <sup>st</sup> , 2 <sup>nd</sup> , 3rd Year - 8.85 Lacs p.m.	9.50% to 11.15%	143.71	229.88
<b>Loan from Directors</b>	On demand	Based on Mutual Agreement	Nil	197.70	254.00
<b>Total non-current borrowings</b>				<b>341.41</b>	<b>483.88</b>
Less: Current maturities of long-term debt (included in note 12(b))				-	-
Less: Interest accrued (included in note 12(b))				-	-
<b>Non-current borrowings (as per balance sheet)</b>				<b>341.41</b>	<b>483.88</b>

<b>12(a) Current borrowings</b>					
	<b>Maturity date</b>	<b>Terms of repayment</b>	<b>Coupon/ Interest rate</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Secured Loans repayable on demand</b>		Working Capital Loans are secured by hypothecation of investments made in securities by the Company.	9.50% to 11.15%	429.17	429.02
From banks	On Demand			91.98	83.74
<b>Total current borrowings</b>				<b>521.15</b>	<b>512.76</b>
Less: Interest accrued (included in note 12(b))				3.39	2.87
<b>Current borrowings (as per balance sheet)</b>				<b>517.77</b>	<b>509.89</b>

<b>12(b) Other financial liabilities</b>		
<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Non-current</b>	-	-
<b>Total other non-current financial liabilities</b>	-	-
<b>Current</b>		
Current maturities of long-term debt	-	-
Interest accrued	-	-
Interest accrued on current borrowings	3.39	2.87
Capital creditors	0.90	23.69
Security Deposits	10.00	10.00
Retention monies/Deposit received and others	-	-
Employee benefit payable	138.47	145.25
<b>Total other current financial liabilities</b>	<b>152.76</b>	<b>181.81</b>

<b>12(c) Trade payables</b>		
<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Non-current</b>	-	-
<b>Total non-current Trade Payable</b>	-	-
<b>Current</b>		
Trade payables		
A) total outstanding dues of micro enterprises and small enterprises; and	25.36	26.89
B) total outstanding dues of creditors other than micro enterprises and small	250.10	240.35
<b>Total trade payables</b>	<b>275.46</b>	<b>267.24</b>

### Ageing of Trade Payables

Particulars	As at 31st March, 2024					
	Not Due	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
(i) MSME	-	25.36	-	-	-	25.36
(ii) Others	52.79	69.36	23.75	101.55	2.65	250.10
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

### Ageing of Trade Payables

Particulars	As at 31st March, 2023					
	Not Due	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
(i) MSME	2.52	46.63	-	-	-	49.15
(ii) Others	44.19	63.29	107.76	-	2.65	218.09
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

The identification of Micro, small and medium enterprises as defined under the provisions of "Micro, Small and Medium Enterprises Act, 2006" is based on management's knowledge of their status.

### Note 13: Provisions

Particulars	March 31, 2024			March 31, 2023		
	Current	Non- current	Total	Current	Non- current	Total
Provision for employee benefits						
Gratuity	0.90	39.71	40.61	23.27	12.38	35.65
Current Obligation of Leave Encashment	0.76	8.94	9.70	4.39	5.50	9.89
Super Annuation Fund	30.38	-	30.38	27.68	-	27.68
Performance Salary & Bonus	-	-	-	0.20	-	0.20
Impairment Provision for Investment	1,614.16	-	1,614.16	1,652.35	-	1,652.35
Other	49.26	-	49.26	17.68	-	17.68
<b>Total</b>	<b>1,695.46</b>	<b>48.65</b>	<b>1,744.11</b>	<b>1,725.57</b>	<b>17.88</b>	<b>1,743.45</b>

### Note 14: Other current liabilities

Particulars	March 31, 2024	March 31, 2023
Statutory tax payables	7.80	7.06
Advances for capital	-	-
Others	21.65	20.70
<b>Total other current liabilities</b>	<b>29.45</b>	<b>27.76</b>

### Note 15: Revenue from Operations

Particulars	March 31, 2024	March 31, 2023
Sale of products	1,233.26	1,252.48
<b>Total revenue from continuing operations</b>	<b>1,233.26</b>	<b>1,252.48</b>

### Note 16: Other income and other gains/(losses)

Particulars	March 31, 2024	March 31, 2023
Balance Written Back	4.70	3.46
Exchange rate gain	5.26	-
Gain on Lease Modification	20.38	-
Government Subsidy	3.49	4.34
Income from Discontinued Operation	32.47	-
Income from financial assets at amortised cost	4.87	5.75
Interest on IT Refund	1.23	-
Net gain on disposal of, property, plant and equipment (excluding property, plant and equipment sold as part of the discontinued operation)	-	2.46
Net gain on sale of investments	69.91	-
Other Item	3.49	8.13
Rental Income	27.03	23.35
Unrealised Gain through P & L A/C (Investments)	28.86	18.17
<b>Total other income</b>	<b>201.70</b>	<b>65.66</b>

### Note 17(a): Cost of materials Consumed

Particulars	March 31, 2024	March 31, 2023
Raw materials at the beginning of the year	0.09	13.41
Add: Purchases	-	4.07
Less: Raw material at the end of the year	-	0.09
<b>Total cost of materials consumed</b>	<b>0.09</b>	<b>17.39</b>

### Note 17(b): Purchases of stock-in-trade

Particulars	March 31, 2024	March 31, 2023
Add: Purchases	171.67	143.55
<b>Total cost of materials consumed</b>	<b>171.67</b>	<b>143.55</b>



**Note 17(c): Changes in inventories of work-in-progress, stock-in-trade and finished goods**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Opening balance</b>		
Finished goods	18.19	2.70
Biological Assets	-	21.33
Traded goods	131.17	149.48
<b>Total opening balance</b>	<b>149.37</b>	<b>173.51</b>
<b>Closing balance</b>		
Finished goods	-	18.18
Biological Assets	-	-
Traded goods	112.56	131.19
<b>Total closing balance</b>	<b>112.56</b>	<b>149.37</b>
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	36.80	24.15

**Note 18: Employee benefit expense**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Salaries, wages and bonus	207.22	232.83
Contribution to provident fund	11.22	7.52
Leave compensation	0.87	0.99
Post-employment benefits expenses	3.08	2.70
Staff welfare expenses	7.11	5.62
<b>Total employee benefit expense</b>	<b>229.50</b>	<b>249.66</b>

**Note 19: Finance costs**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Interest on debts and borrowings	71.49	82.53
Loan Processing Charges	0.42	17.42
<b>Finance costs expensed in profit or loss</b>	<b>71.91</b>	<b>99.95</b>

**Note 20: Depreciation and amortisation expense**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Depreciation of property, plant and equipment	163.68	214.52
Amortisation of intangible assets	0.77	2.26
<b>Total Depreciation and amortisation expense</b>	<b>164.45</b>	<b>216.78</b>

**Note 21: Other expenses**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Bank Charges	0.34	0.28
Clearing and Forwarding Expenses	12.81	13.15
Consumption of stores and spares	131.66	153.96
Debit Balance Written back	19.01	45.80
Fluctuation loss	11.65	2.89
Freight	2.34	5.60
Insurance	3.65	4.53
Labour Charges	316.70	312.36
Legal and professional fees (Refer Note 22(a))	18.18	19.19
Loss on Discard of fixed assets	19.19	-
Loss on sale of fixed assets	13.84	-
Management Fees	-	0.02
Membership Fees	1.11	0.62
Miscellaneous expenses	32.96	34.51
Nursery and Laboratory Expenses	-	3.18
Packing expense	0.56	-
Payment to Auditor	4.50	4.50
Printing and Stationery	0.50	0.31
Prior Period Expenses	2.50	1.16
Rates and taxes	2.38	0.93
Rental charges	3.11	11.50
<b>Repair and maintenance expenses:</b>		
<i>Buildings</i>	7.23	7.45
<i>Plant and Machinery</i>	10.44	10.40
<i>Others</i>	1.77	2.65
Security Expenses	11.23	13.31
Selling Expenses	7.22	8.21
Telephone and communication Charges	1.54	1.70
Travel & Conveyance	2.40	2.54
Water and electricity charges	50.33	47.24
<b>Total other expenses</b>	<b>689.18</b>	<b>707.98</b>

<b>Note 21(a): Details of payment to auditors</b>		
<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Audit fee	4.50	4.50
<b>Total payments to auditors</b>	<b>4.50</b>	<b>4.50</b>

**Note 22: Income tax expense**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>(a) Income tax expense</b>		
<i>Current tax</i>	-	-
Current tax on profits for the year	-	-
<b>Total current tax expense</b>	-	-
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets	1.37	(14.16)
(Decrease) increase in deferred tax liabilities	0.43	4.27
<b>Total deferred tax expense/(benefit)</b>	<b>1.80</b>	<b>(9.89)</b>
<b>Income tax expense</b>	<b>1.80</b>	<b>(9.89)</b>
Other Comprehensive Income		
(Decrease) increase in deferred tax liabilities	0.44	0.08

**Note 23: Commitments and Contingent Liabilities**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Commitments</b>	-	-
<b>Contingent Liability</b>		
Law suit by previous employee in subsidiary	8.00	8.00
Corporate Guarantee given on behalf of Subsidiary Company	395.34	395.34
<b>Total</b>	<b>403.34</b>	<b>403.34</b>

**Note 24: Capital management**

**(a) Risk management**

For the purpose of the Company's capital management, capital includes issued equity capital, compulsorily convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings including interest accrued on borrowings, trade and other payables, less cash and short-term deposits.

<b>The gearing ratios were as follows:</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Net debt	1208.17	1428.67
Total equity	(756.77)	(835.81)
<b>Net debt to equity ratio</b>	<b>(159.65%)</b>	<b>(170.93%)</b>

**Note 25: Earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group

- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>(a) Basic earnings per share</b>		
i. Profit (loss) attributable to equity shareholders(basic)	78.06	(542.25)
ii. Weighted average number of equity shares (basic)	54.62	54.62
Total basic earnings per share attributable to the equity holders of the company	1.43	(9.93)
<b>(b) Diluted earnings per share</b>		
i. Profit (loss) attributable to equity shareholders(basic)	78.06	(542.25)
ii. Weighted average number of equity shares (basic)	54.62	54.62
Total diluted earnings per share attributable to the equity holders of the company	1.43	(9.93)

**Note 26: Post-Employment benefits**

**A. Reconciliation of the defined benefit liability**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

Reconciliation of present value of defined benefit obligation

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Balance at the beginning of the year	36.16	30.56
Current service cost	2.64	2.99
Past Service Cost	(4.32)	-
Interest Cost	2.65	2.12
Actuarial (gains) losses recognised		
- demographic	(0.51)	-
- experience adjustments	2.82	0.88
- Financial Assumption adjustment	1.18	(0.40)
<b>Balance at the end of the year</b>	<b>40.61</b>	<b>36.15</b>

**B. Expense recognised in profit or loss**

Particulars	March 31, 2024	March 31, 2023
Current service cost	2.64	2.99
Interest on defined benefit Liability	2.65	2.12
<b>Total</b>	<b>5.29</b>	<b>5.11</b>

**C. Remeasurements recognised in other comprehensive income**

Particulars	March 31, 2024	March 31, 2023
Actuarial (gain)/loss on Obligation for the period	4.00	0.47
<b>Total</b>	<b>4.00</b>	<b>0.47</b>

**D. Actuarial assumptions**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	March 31, 2024	March 31, 2023
Discount rate	7.23% to 7.79%	6.84% to 7.79%
Future salary growth	8% to 10%	8% to 10%
Attrition rate	1% to 5%	1% to 5%
Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

**E. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.78)	3.15	(1.29)	1.52
Future salary growth (1% movement)	2.11	(1.91)	1.22	(1.28)
Attrition rate (1% movement)	(0.24)	0.27	(0.27)	(0.03)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

**Note 27: Financial Risk Management Framework****Risk management framework**

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

**Trade receivables**

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Company's exposure to customers is towards related parties and not subject to significant credit risk based on past history.

**Current Investment**

The Company holds current investment in mutual funds at 31 March 2024 and 31 March 2023. The credit risk on mutual funds is limited.

**Cash and cash equivalents**

The Company holds cash and cash equivalents. The credit risk on liquid funds is limited.

**Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Year ended March 31, 2024**

Particulars	On Demand	in next 12 months	>1 year <5	> 5 years	Total
Borrowings	429.17	-	430.00	-	859.17
Trade payables	275.46	-	-	-	275.46
Other financial liabilities	152.76	-	-	-	152.76
<b>Total</b>	<b>857.38</b>	<b>-</b>	<b>430.00</b>	<b>-</b>	<b>1287.38</b>

**Year ended March 31, 2023**

Particulars	On Demand	in next 12 months	>1 year <5	> 5 years	Total
Borrowings	429.02	-	564.76	-	993.78
Trade payables	267.24	-	-	-	267.24
Other financial liabilities	181.81	-	-	-	181.81
<b>Total</b>	<b>878.07</b>	<b>-</b>	<b>564.76</b>	<b>-</b>	<b>1,442.83</b>

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

**Sensitivity analysis**

Particulars	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
Forex rate fluctuation (1% movement)	-	-	-	-

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company keeps majority of its borrowings with floating interest rates and company looks out for opportunity for optimization of interest cost, based on prevailing market scenarios and performance of the company.

**Note 28: Operating leases**

- The Company does not have financial lease arrangement.
- The Company has taken office premises under short term lease arrangements and are renewable in mutually agreeable terms.

Particulars	March 31, 2024	March 31, 2023
Total rental expense relating to operating leases	-	-

**Note 29: Related Party Disclosures**
**Transactions with Related Parties as specified under Ind- AS 24**
**A. Key management personnel**

Sr.No	Name of Personnel	Enterprises	Nature of relationship
1	Mr. Viral Desai	Span Divergent Limited	Managing Director
		Biospan Contamination Control Solutions Pvt Ltd	Director in Subsidiary
		Biospan Scientific LLP	Partner in LLP Subsidiary
		Aranya Agri Biotech LLP	Partner in LLP Subsidiary
		Desai Farmharvest LLP	Partner in LLP Subsidiary
		Span Diagnostics LLP	Partner in LLP Subsidiary
2	Mr. Paras Desai	Span Divergent Limited	Chief Financial Officer & Director
		Biospan Contamination Control Solutions Pvt Ltd	Director in Subsidiary
		Dryfruit Factory LLP	Partner in LLP Subsidiary
		Aranya Agri Biotech LLP	Partner in LLP Subsidiary
		Biospan Scientific LLP	Partner in LLP Subsidiary
		Desai Farmharvest LLP	Partner in LLP Subsidiary
3	Ms. Samiksha Kansara (up to November 14,2022)	Span Divergent Limited	Company Secretary
4	Ms. Urvi Shinde (w.e.f February 09, 2023)	Span Divergent Limited	Company Secretary
5	Mr. Greg Cochran	Biospan Contamination Control Solutions Pvt Ltd	Director
6	Mr. Urmil Rawal	Dryfruit Factory LLP	Partner in LLP Subsidiary

**B. Enterprises over which Key Management Personnel exercises significant influence**

Sr. No	Name of Personnel	Enterprises	Relationship
1	Mr. Viral Desai	Span Bioproducts Private Limited	Director
		Athreyas Wellness Private Limited	Director
		Micronclean India Private Limited	Director
2	Mr. Greg Cochran	Micronclean India Private Limited	Director

**C. Relatives of key management personnel and their enterprise, where transactions have taken place**

Name of Personnel
(1) Ms. Sujata V Desai (2) Dr. Pradip K Desai

**D. Transactions with related parties during the year ended March 31, 2024 on consolidated basis**

Sr. No	Name of the related party	Nature of transactions	March 31, 2024	March 31, 2023
1	Mr. Viral Desai*	Director Remuneration	33.76	33.76
		Rent	5.78	5.62
2	Ms. Samiksha Kansara (up to November 14,2022)	Salary	-	1.56
3	Urvi Shinde (w.e.f. February 09, 2023)	Salary and Other Payable	2.52	0.42
4	Mr. Paras Desai*	Salary	42.00	41.92
		Reimbursement of Expenses	0.06	-
5	Ms. Sujata Desai*	Salary	29.03	17.78
		Rent	5.78	5.62
		Reimbursement of Expenses	0.06	-

6	Dr. Pradip K Desai	Director Remuneration (Payment)	6.82	-
		Repayment of Loan	56.30	2.00
7	Mr. Urmil Raval*	Salary	23.43	18.87
		Reimbursement of Expenses	2.25	-
8	Span Finstock Pvt Ltd	Management Fees Received	-	3.00

\*Includes Provision of Superannuation (in case of Mr.Viral Desai), Provident Fund and other retiral benefits.

#### E. Balances Outstanding

Sr. No	Name of the related party	Nature of balances	31 March 2024	31 March 2023
1	Mr. Viral Desai	<u>Payable</u>		
		Director Remuneration	119.85	96.05
		Loan	111.00	111.00
		Others	0.09	0.24
		<u>Receivable</u>		
		Rent Deposit	1.00	1.00
2	Ms. Sujata Desai	<u>Payable</u>		
		Salary and other payable	2.48	10.07
		Others	0.005	-
		<u>Receivable</u>		
		Rent Deposit	1.00	1.00
3	Mr. Urmil Rawal	<u>Payable</u>		
		Capital	0.01	0.01
		Reimbursement of Exp.	0.11	0.14
		Salary	4.42	2.90
4	Mr. Paras Desai	Salary and other Payable	2.41	16.88
5	Dr. Pradip Desai	Director Remuneration & Others	-	6.83
		Unsecured loan	86.70	143.00
6	Urvi Shinde (w.e.f. February 09, 2023)	Salary and Other Payable	0.21	0.21

#### Note 30: Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2024 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Assets:</b>							
<b>Current</b>							
i. Investments	468.56	-	468.56	-	-	468.56	468.56
ii. Trade receivables	155.48	-	-	-	-	155.48	-
iii. Cash and cash equivalents	92.51	-	-	-	-	92.51	-
iv. Bank balances other than (iii) above	-	-	-	-	-	-	-
v. Others	32.10	-	-	-	-	32.10	-
<b>Total</b>	<b>748.65</b>	-	<b>468.56</b>	-	-	<b>748.65</b>	<b>468.56</b>
<b>Liabilities:</b>							
<b>Non-Current</b>							
i. Borrowings	341.41	-	-	-	-	341.41	-
<b>Current liabilities</b>							
i. Borrowings	517.77	-	-	-	-	517.77	-
ii. Trade payables	-	-	-	-	-	-	-
iii. Other financial liabilities	152.76	-	-	-	-	152.76	-
<b>Total</b>	<b>1011.93</b>	-	-	-	-	<b>1011.93</b>	-

The carrying value and fair value of financial instruments by categories as of March 31, 2023 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Assets:</b>							
<b>Current</b>							
i. Investments	394.53	-	394.53	-	-	394.53	394.53
ii. Trade receivables	189.92	-	-	-	-	189.92	-
iii. Cash and cash equivalents	39.90	-	-	-	-	39.90	-
iv. Bank balances other than (iii) above	-	-	-	-	-	-	-
v. Others	35.90	-	-	-	-	35.90	-
<b>Total</b>	<b>660.25</b>	-	<b>394.53</b>	-	-	<b>660.25</b>	<b>394.53</b>

\*Amount regrouped from Bank balance and other than (iii)

<b>Liabilities:</b>							
<b>Non-Current</b>							
i. Borrowings	483.88	-	-	-	-	483.88	-
<b>Current liabilities</b>							
i. Borrowings	509.89	-	-	-	-	509.89	-
ii. Trade payables	-	-	-	-	-	-	-
iii. Other financial liabilities	181.81	-	-	-	-	181.81	-
<b>Total</b>	<b>1175.58</b>	-	-	-	-	<b>1175.58</b>	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2024:

Fair value measurement using					
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Current</b>					
(i) Investments	31-Mar-24	468.56	-	-	468.56
<b>Total</b>		<b>468.56</b>	-	-	<b>468.56</b>

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023:

Fair value measurement using					
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Current</b>					
(i) Investments	31-Mar-23	394.53	-	-	394.53
<b>Total</b>		<b>394.53</b>	-	-	<b>394.53</b>

#### Note 31: Expenditure in foreign currency

Particulars	March 31, 2024	March 31, 2023
Expenditure in foreign currency	-	-

#### Note 32:

In case of subsidiary:

(a) Aranya Agri Biotech LLP had accumulated losses of Rs. 14.91 Crores till March 31 2023 and Rs. 0.19 crore in the current year up to March 31, 2024. In light of the accumulated losses and business scenario going forward, Board has approved the plan for discontinuation of operations of the LLP and the Assets of the LLP have been classified as Asset held for sale w.e.f Quarter ended September-2023.

(b) Biospan Scientific LLP had accumulated losses of Rs.1.57 Crores as at 31st March 2019, resulting in substantial erosion of the net worth of the LLP. Hence the Management had decided to impair the investment and Rs. 1.83 Crores were provided in the books of the Company and was treated as an exceptional item during the year 2018-19. Notwithstanding the above, the financial results of the LLP has been prepared on going concern basis as Management is exploring the possibilities to revive the LLP on its own or by entering in to business tie-ups and it endeavours to be able to establish profitable operation.

(c) Biospan Contamination Control Solution Pvt Ltd (BCCS)

Biospan Contamination Control Solution Pvt Ltd had accumulated losses of Rs.5.71 Crores till March 31, 2024. As on that date the subsidiary Company's total liabilities exceeded its total assets by Rs. 5.61 Crores. Notwithstanding the above, the financial results of the subsidiary Company has been prepared on going concern basis as Management believes that the company would be able to establish profitable operation and the losses incurred is attributable to factors of temporary nature. Further, Management is confident that with appropriate product introduction and business development efforts, the Company will achieve adequate revenue and negative net worth would turn positive by 2025.

**Note 33: Earnings in Foreign Currency**

Particulars	March 31, 2024	March 31, 2023
Finished Goods	-	-

**Note 34: Value of imports calculated on CIF Basis**

Particulars	March 31, 2024	March 31, 2023
Traded Goods, Raw material and biological assets	169.50	128.89

**Note 35: Imported and Indigenous material consumed**

Particulars	March 31, 2024	March 31, 2023
Imported	175.75	149.37
Indigenous	32.81	35.72
<b>Total</b>	<b>208.56</b>	<b>185.09</b>

**Note 36: Segment reporting**

Particulars	March 31, 2024	March 31, 2023
<b>Segment Revenue</b>		
- Cashew processing	929.46	962.36
- Tissue Culture	46.49	20.47
- Trading	263.67	229.93
<b>Gross Revenue from Operations from Segments</b>	<b>1239.62</b>	<b>1212.76</b>
Less : Inter Segment Revenue	-	-
<b>Net Revenue from Operations from Segments</b>	<b>1239.62</b>	<b>1212.76</b>
<b>Segment Results</b>		
Profit / (Loss) before Interest and tax		
- Cashew processing	(21.46)	(95.10)
- Tissue Culture	(30.40)	(81.19)
- Trading	(20.49)	(46.65)
- Unallocable Income over expenses like (Including HO)	152.21	(329.21)
<b>Total Profit / (Loss) before Tax</b>	<b>79.86</b>	<b>(552.15)</b>
<b>Segment Assets</b>		
- Cashew processing	1081.75	1,191.57
- Tissue Culture	97.43	173.25
- Trading	240.37	229.47
- Unallocable	999.15	932.09
<b>Total Assets</b>	<b>2418.70</b>	<b>2526.38</b>
<b>Segment Liability</b>		
- Cashew processing	429.21	617.98
- Tissue Culture	28.28	35.46
- Trading	679.80	1122.86
- Unallocable	2038.17	1585.89
<b>Total Liability</b>	<b>3175.47</b>	<b>3362.19</b>

**Note 37: Salient features of subsidiaries as per the Companies Act, 2013**

## a. Subsidiaries considered in consolidated financial statement

Name of Subsidiary	Reporting Currency
Biospan Contamination Control Solutions Pvt Limited	INR
Aranya Agri Biotech LLP	INR
Dryfruit Factory LLP	INR
Biospan Scientific LLP	INR
Span Diagnostics LLP	INR
Desai Farmharvest LLP	INR

## b. Details of Subsidiary as under:

Name of Subsidiary	Share Capital/ Partners Capital (Includes Fixed & Fluctuating Capital)	Other Equity/Reserve and Surplus	Total Assets	Total Liabilities	Turnover	Profit before tax
Biospan Contamination Control Solutions Pvt Limited	10.00	(570.80)	89.95	650.75	125.19	(52.44)
Aranya Agri Biotech LLP	1,578.83	(1,509.68)	97.43	28.28	43.49	(30.40)
Dry Fruit Factory LLP	2,780.39	(2,127.84)	1,081.75	429.21	902.22	(21.46)
Biospan Scientific LLP	148.75	(27.39)	150.42	29.06	130.58	31.95
Span Diagnostics LLP	1.40	(1.19)	0.29	0.08	-	(0.08)
Desai Farmharvest LLP	15.00	0.82	15.92	0.10	-	0.87

c. Additional Information, required as under schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiaries

Name of Enterprise	Share in Profit & Loss		Share in Net Assets	
	% of Consolidated (Profit) & Loss	Amount	% of Consolidated Net assets	Amount
<b>Parent</b>				
Span Divergent Limited	189.60%	151.42	91.62%	3,262.24
<b>Subsidiaries</b>				
Biospan Contamination Control Solutions Pvt Limited	(65.67)%	(52.44)	(15.75)%	(560.80)
Aranya Agri Biotech LLP	(38.07)%	(30.40)	1.94%	69.15
Dry Fruit Factory LLP	(26.87)%	(21.46)	18.33%	652.54
Biospan Scientific LLP	40.01%	31.95	3.41%	121.37
Span Diagnostics LLP	(0.10)%	(0.08)	0.01%	0.21
Desai Farmharvest LLP	1.10%	0.87	0.44%	15.82

**Note 38: Lease accounting as per Ind AS 116**

Effective April 1, 2019, the Company has adopted Ind AS 116, Leases and applied the standard to its Leases using the modified retrospective approach. Accordingly, the Company has not restated comparative information.

This has resulted in recognising a lease liability measured at present value of the remaining lease payments and a corresponding Right-of-Use (ROU) asset as if the lease has been commenced w.e.f. 1st April 2019. The Company discounted remaining lease payments using the lessee's incremental borrowing rate as at 1st April 2019. The Company has also elected not to apply the requirements of Ind AS 116 to short term leases and leases for which underlying asset is of low value. In the results for the current period, the nature of expenses in respect of Operating lease has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability.

**Note 39:** In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentive including additional depreciation and accumulated depreciation. The Company is evaluating this option and continues to recognise the taxes on income for the quarter and half year ended 30th September 2019 as per the earlier provisions.

**Note 40:**

A brief note about operation of each of its subsidiary company is given below.

**Dryfruit Factory LLP (DFFL):** LLP has plant near Ahmedabad; Gujarat for processing of Raw Cashew Nuts (RCNs) into a finished cashew, whose commercial production started since second quarter of FY2018. The plant is accredited with ISO 9001:2015 and Food Safety System Certification (FSSC) 22000. LLP has on-going Tolling Agreement which leads to the full utilization of its processing capacity. The firm has successfully turned around financially and became EBITDA positive during this financial year.

**Aranya Agribiotech LLP (AABL):** LLP has ventured in to Plant Tissue Culture business having acquired assets of a non-operative, (but a pioneer venture in the field) unit which was in the business of Plant Tissue Culture, which helped LLP getting head way in starting its operation. Over the years, looking at the industry scenario and as a continuous process of restructuring, AABL has been downsizing its business operation. Considering the business scenario, In light of the accumulated losses and business scenario going forward, Board has approved the plan for discontinuation of operations of the LLP and the Assets of the LLP have been classified as Asset held for sale w.e.f Quarter ended September-2023.

**Biospan Contamination Control Solutions Private Limited (BCCS):** BCCS is a joint venture formed between Span Divergent Ltd. and Micronclean, UK, with Span having 67 % equity stake. It caters to the niche segment of Pharmaceutical and Biotechnology industry having clean room consumable requirement. The products are imported from Joint Venture Partner Company from UK and other reputed companies world-wide operating in the same segment. It is expected to have some more-tie-ups in coming year to increase the product portfolio. The Company has been able to get break through into big clients due to its persistent efforts in past years and expect to improve its business substantially in coming years.

**Biospan Scientific LLP (BSLLP):** BSLLP had introduced a niche and selective product portfolio to serve Indian customers in Pharmaceutical & Biotech manufacturing segments. BSLLP has limited products under its name.

**Span Diagnostics LLP:** No business activity is carried out in this LLP. it is not operational

**Desai Farm Harvest LLP:** No business is actively carried out in this LLP. The board has approved for striking of the firm

**Internal Finance Control:** Management is committed to continue maintaining Company's internal control system, which is reviewed and monitored critically. Compliance of the same is ensured with very valuable inputs from the Independent Directors, Internal Auditors and Statutory Auditors. Their vast experience and knowledge base has contributed tremendously in betterment of systems and processes, resulting in better internal control. Internal control system is further supported by periodic review by management and the Audit Committee. Company maintains high focus towards all regulatory compliances, which is regularly reviewed by the Board.

**Note 41:** The figures for the previous year have been regrouped/recast wherever necessary in conformity with those of current year.



**Note 42: Key Financial Ratios**

Ratio	Numerator	Denominator	Current Year	Previous Year	% of Variance	Reasons for Variances
Current ratio	Current Assets	Current Liabilities	0.45	0.42	7%	Increase in current Investment value with decrease in borrowing and reduction in lease liabilities.
Debt-equity ratio	Total Debt	Shareholder's Equity	(1.14)	(1.19)	(5)%	Reduction in borrowing.
Debt service coverage ratio	Earnings available for debt service	Debt Service	0.59	0.36	65%	Due to increase in EBITDA and reduction in borrowing.
Return on equity ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	1.43	(9.93)	(114)%	Due to improved profit as compare to previous year
Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	1.50	1.09	37%	Increase in revenue from traded products as compare to previous year.
Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	7.14	7.21	(1)%	No substantial change
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	0.63	0.62	3%	No substantial change
Net capital turnover ratio	Net Sales	Working Capital	(0.83)	(0.77)	7%	Decrease in net working capital.
Net profit ratio	Net Profit	Net Sales	5.51%	(41.17)%	(113)%	Increase in net Profit.
Return on capital employed	Earnings before interest and taxes	Capital Employed	(50.78)%	18.33%	-	Improved profit before interest and tax over previous year loss.
Return on investment	Income (Finance)	Investments	7.82%	6.00%	30.27%	Better returns on financial investments.

As per our report of even date

**For Y B Desai & Associates**

Chartered Accountants

Firm Registration No: 102368W

**Mayank Y Desai****Partner**

Membership No: 108310

UDIN: 24108310BKALNV1087

Date: May 16, 2024

Place: Surat

**For and on behalf of the Board of Directors****Span Divergent Limited**

\_\_\_\_\_  
**Viral P Desai**  
**Managing Director**  
**DIN: 00029219**

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**Paras Desai**  
**Whole Time Director & CFO**  
**DIN: 089293906**

\_\_\_\_\_  
**Dr. Pradip K Desai**  
**Director**  
**DIN: 00026451**

\_\_\_\_\_  
**Urvi Shinde**  
**Company Secretary**

Date: May 16, 2024

Place: Surat



SPAN DIVERGENT LIMITED

(Formerly Span Diagnostics Limited)

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