SPARC SYSTEMS LIMITED

#16, Ground Floor, Lovely, Sector 2, Airoli West, Navi Mumbai - 400 708.
Tel. : 91-22-2779 2473 / 2779 2478 / 2779 2481 • Fax : 91-22-2779 2481
E-mail : sparc@mtnl.net.in • Website : www.sparcsys.com

Date: 27th September, 2020

To,
The Bombay Stock Exchange Ltd
Corporate Relationship Dept,
1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort, Mumbai – 400 001

Scrip Code: 531370
Sub: Submission of Adopted 31st Annual Report of the Company by the members

Dear Sir/Madam,

Please find enclosed pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the copy of duly approved and adopted Annual Report for F.Y. 2019-20 of the Company by its members at 31st Annual General Meeting held on **today on Sunday, 27th September, 2020** commenced at 11:00 A.M., through video-conferencing mode (VC) and other Audio Visual Means (OAVM).

We are requested to take this on record.

Yours faithfully,
For Sparc Systems Limited

Punit Neb
(Whole Time Director)
DIN: 01026300

Encl: a/a

SPARC SYSTEMS LIMITED

ANNUAL REPORT
2019 - 2020

BOARD OF DIRECTORS

NAME	DESIGNATION
Mr. J.T. D'souza	Managing Director & Chairman
Ms. Punit Neb	Whole-time Director & CFO
Mr. Santosh Shetty	Independent Director (Resigned w.e.f. 27.06.2020)
Mr. Ravi Kumar Channappa	Independent Director (Appointed w.e.f. 27.06.2020)
Ms. Kajal Jain	Independent Director
Mr. Deep V Shah	Company Secretary & Compliance Officer (w.e.f. 01.06.2020)

BANKERS

Union Bank of India

STATUTORY AUDITORS

M/s. R Soni & Co.,
Charted Accountants,
Mumbai

REGISTAR & TRANSFER AGENT

Universal Capital Securities Pvt Ltd
(Formerly Known as Mondkar Computer Pvt Ltd)
21, Shakil Niwas, Mhakali Caves Road,
Andheri (East) Mumbai- 400093.
Phone No +91 22 28207203-05/ 2827641
Fax +91 22 282070207
Email: info@unisec.in
Website: www.unisec.in

LISTING OF EQUITY SHARES

BOMBAY STOCK EXCHANGE
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
Tel: 91-22-22721233/4, 91-22-66545695

REGISTERED OFFICE

Plot No. 11, Survey No. 118/ 1-2, Village Paundhe,
Taluka Shahapur at Post Athgon,
District- Thane- 421601. Maharashtra
Phone No. +91 9820700310 Fax. +91 22 27792481
Email id: sparc@mtnl.net.in
Website: http://www.sparcsys.com

CORPORATE / COMMUNICATION ADDRESS

16 Ground Floor Lovely, Sector 2, Airoli,
Navi Mumbai-400708 Maharashtra
Phone: +91-22 27792473/ 27792478/ 27792481
Email id: sparc@mtnl.net.in
Website: http://www.sparcsys.com

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NOTICE IS HEREBY GIVEN THAT THE 31ST ANNUAL GENERAL MEETING OF THE MEMBERS OF SPARC SYSTEMS LIMITED WILL BE HELD ON SUNDAY 27TH SEPTEMBER, 2020 AT 11:00 A.M. THROUGH VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS

1. To receive consider and adopt the Annual Standalone and Consolidated Financial Statements consisting of the Balance Sheet as at **March 31, 2020,** the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and Explanatory Notes annexed to, and forming part of, any of the above documents together with the reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of **Ms. Punit Neb (DIN: 01206300)** who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible offers herself for re-appointment.

3. **Appointment of Statutory Auditors upon completion of terms of existing Auditors and fix their remuneration** and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT, Subject to the provisions of Section 139,142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, **M/s. Motilal & Associates.,** (FRN 106584W), Chartered Accountants, Mumbai, be and are hereby appointed as Statutory Auditors of the Company, in place of retiring Auditors M/s. R. Soni & Co., Chartered Accountants (FRN 130349W), to hold the office from the conclusion of **31st Annual General Meeting,** for a single tenure of 5 (five) years, without seeking any further ratification from the shareholders of the Company for their appointment as Statutory Auditors till the conclusion of their tenure, at remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand Only) plus applicable taxes, out of pocket expenses, with the power to the Board/Audit Committee to alter and vary the terms and conditions of appointment, revision including upward revision in the remuneration during the remaining tenure."

SPECIAL BUSINESS

4. **To appoint Mr. Ravikumar Byrapatna Channappa (DIN: 06595061) as an Independent Director of the Company** and 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 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, **Mr. Ravikumar Byrapatna Channappa (DIN: 06595061),** who was appointed as an Additional Director of the Company in terms of Section 161 of Companies Act, 2013, and Articles of Association of the Company by the Board of Directors with effect from **27th June, 2020** and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, pursuant to Section 160 of the Act and who holds office up to the date of this Annual General Meeting be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five (5) consecutive years up to **26th June, 2025."**

For and on behalf of the Board

Sd/-
J. T. D'souza
Managing Director
DIN: 00958844
Mumbai, August 25, 2020

IMPORTANT COMMUNICATION TO MEMBERS – GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by the Companies and has issued a Circular stating that service of all documents including Annual Reports can be sent by e-mail to its Members. Your Company believes that this is a remarkable and environment friendly initiative by MCA and requests all Members to support in this noble cause. The Company has already embarked on this initiative and proposes to send documents including Annual Reports in electronic form to the Members on the email address provided by them to the R&T Agent/the Depositories. The Members who hold shares in physical form are requested to intimate/update their email address to the Company/R&T Agent while Members holding shares in Demat form can intimate/update their email address to their respective Depository Participants. Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a Member of the Company.

Notes:

1. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is attached hereto.

2. In view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.

3 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 MCA Circulars dated April 08, 2020, April 13, 2020; May 05, 2020 and General Circular No. 22/ 2020 dated 15th June, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.

4 The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

5 The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

6 Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.

7 In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.sparcsys.com The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.

8 The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

(i) The voting period begins on 24.09.2020 and ends on 26.09.2020 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21.09.2020 of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on "Shareholders" module.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on “SUBMIT” tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <SPARC> on which you choose to vote.

(xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xviii) If a Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESSES FOR THOSE SHAREHOLDERS WHO’S EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like 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 **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), 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 **Company/RTA email id**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the meeting through laptops / IPads for better experience.
3. Further shareholders 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/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, Demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, Demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the Company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM 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 shareholders, who are 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 available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders 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.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

  If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

  All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013, SPECIAL BUSINESS:

ITEM NO.3

Appointment of Statutory Auditors upon completion of terms of existing Auditors and fix their remuneration:

In terms of the provisions of Section 139 of the Companies Act, 2013 (the 'Act'), read with Rule 6 of the Chapter X of the Companies (Audit and Auditors) Rules, 2014 M/s. R. Soni & Co., Chartered Accountants, Mumbai (FRN: No130349W) has competed their tenure at ensuing AGM.

Accordingly, the Board recommends the appointment of M/s Motilal & Associates (FRN 106584W), Chartered Accountants, as the Statutory Auditors of the Company for a period of five years from the conclusion of ensuing AGM till the conclusion of the 36th AGM. As per the requirement of the Act, M/s Motilal & Associates, Chartered Accountants, have confirmed that the appointment if made would be within the limits specified under Section 141(3) (g) of the Act and they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

M/s Motilal & Associates will be paid an annual remuneration fees of Rs.75,000/- (Rupees Seventy Five Thousand only) plus outlays and taxes as applicable from time to time, for the purpose of audit. The power may be granted to the Board/Audit Committee to alter and vary the terms and conditions of appointment, revision including upward/downward revision of the remuneration during the proposed tenure.

In pursuance to Regulation 36(5) of the SEBI (LODR), Regulations, 2015 the details are as below.

Proposed Fee	Rs.75,000/- plus outlays and taxes as applicable
Term of Appointment	5 Years
Material changes in fee compared to outgoing Auditor	Rs.45,000/-
Rationale of such changes	Upon expiring of terms of existing Auditors
Basis of recommendation for appointment	Recommendation of Audit Committee and approval of Board of Directors.
Credentials of Statutory Auditors proposed to be appointed	Date of Establishment : 1988 Partners: 6 Area of Work: Audit & Accounting Tax Advisory and compliance, GST compliance and Consulting, Advisory, Management Consultancy, Financial and Corporate Advisory and etc.

The Board of Directors, therefore, recommend passing of the ordinary resolution as set out in Item No. 3 of the accompanying Notice.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

ITEM NO.4

To appoint Mr. Ravikumar Byrapatna Channappa (DIN: 06595061) as an Independent Director of the Company.

Mr. Ravikumar Byrapatna Channappa has done Diploma in Mechanical Engineering carries more than 25 years of experience in the field product development, R &D, manufacturing and factory management. He is well versed in managing the work force and monitoring the product plastic injection, molded parts in engineering plastic industries, tool room, molds and dies manufacturing. In the opinion of the Board of Directors of the Company, Mr. Ravikumar Byrapatna Channappa fulfills the conditions for appointment of Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and is independent of the management.

The Company has received a Notice from a Member in writing under Section 160 of the Companies Act, 2013 proposing candidature of Mr. Ravikumar Byrapatna Channappa for the office of the Director of the Company. The Board of Directors at its meeting held on June 27, 2020, on the recommendation of the Nomination and Remuneration Committee, appointed him as an additional director designated as independent director of the Company. Pursuant to Section 161(1) of the Companies Act, 2013, He will hold office up to the date of this annual general meeting.

Considering his background and experience, the association of Mr. Ravikumar Byrapatna Channappa would be beneficial to the Company and it is desirable to appoint him as an Independent Director for the term of Five (5) consecutive years with effect from June 27, 2020 till June 26, 2025.

The Company has received from Mr. Ravikumar Byrapatna Channappa (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013.

Copy of the letter of appointment of Mr. Ravikumar Byrapatna Channappa setting out the terms and conditions of appointment are available for inspection by the Members of the Company without any fee at the Registered Office of the Company during the business hours (except on Saturdays and Sundays).

The details of Mr. Ravikumar Byrapatna Channappa as required under the provisions of Regulation 36(3) of the Listing Regulations and other applicable provisions are provided in Annexure I to this Notice.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. He has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Ravikumar Byrapatna Channappa is, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 4 of the Notice.

The resolution as set out in item no. 4 of this Notice is accordingly recommended for your approval.

For and on behalf of the Board

Sd/-
J. T. D'souza
Managing Director
DIN: 00958844
Mumbai, August 25, 2020

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (IN PURSUANCE OF REGULATION 36(3) OF THE LODR REGULATION, 2015)

Name of the Director	Ms. Punit Neb	Mr. Ravikumar Byrapatna Channappa
Date of Birth	26-12-1967	22/07/1971
Academic Qualifications	B.E. Master of Marketing Management	Diploma in Mechanical Engineering
Experience and Expertise	Technology design & development and project implementation	He carries experience of more than 25 years in the field of Project Management, R&D, Manufacturing and Factory management. His knowledge and expertise in relevant field help company for an instrumental growth in long run.
Date of first appointment on the Board	06-07-1991	27-06-2020
Directorship in other companies	Epson Finance and Investment Pvt Ltd	1. Electrex Power Tool Pvt Ltd 2. Hedge Power Tools Ltd 3. Electrex International Pvt Ltd
No. of Membership(s)/ Chairmanship(s) of Board Committees in other companies	Nil	2
No. of Shares held in the Company	29,300	Nil
DIN	01026300	06595061
Relation with other Directors or Key Managerial Personnel	Spouse of J. T. D'souza	None
Number of Board Meeting attended during the financial year	6	N.A.
Remuneration and other terms & conditions of appointment/ re-appointment	She is entitled to sitting fees & remuneration for attending Board Meetings as approved by the Board of Directors.	He is entitled to sitting fees & remuneration for attending Board Meetings as approved by the Board of Directors
Remuneration paid/payable for the Financial Year 2019-20	Nil	Nil

DIRECTOR'S REPORT

To,
The Members
Sparc Systems Limited

The Directors present the Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2020.

FINANCIAL RESULTS:

Summary of the Company's financial performance for F.Y. 2019-2020 as compared with the previous financial year is given below:

Particulars	F.Y. 2019-20	F.Y. 2018-19
Revenue from Operation	46,052	92,354
Revenue from other Income	8,39,751	22,92,430
Total Revenue	**8,85,803**	**23,84,784**
Profit before Dep. & Int.	(1,07192)	12,29,846
Depreciation	13,100	1,37,979
Interest	-	-
Profit after Depreciation & Interest and before Tax	(1,20,292)	10,91,867
Provision for Taxation	-	2,10,111
Provision for Tax (deferred)	-	(2,10,111)
Provision for Taxation for earlier year	-	-
Profit/Loss after Tax	(1,20,292)	10,91,867

The Company's line of business involves Software and Hardware Electronic Security Solutions.

The Company has reported a gross income of Rs. 8.85 lakhs for the current year as compared to Rs. 23.84 lakhs in the previous year. The Company has incurred a net loss amounting Rs. 1.20 lakhs in the current year as compared to a profit amounting Rs. 10.92 lakhs in the previous year.

The Management intends to continue to pursue its product lines. The Company continues to leverage its existing technologies and continues to add several new clients covering different industry segments. With the huge surge in Internet of Things [IOT] and connected embedded devices, the Company sees a potential for all its technologies which have been specifically catering to embedded connected solutions.

DIVIDEND:

No dividend was declared for the current financial year.

AMOUNT TO BE TRANSFERRED TO RESERVES:

No fund was transferred to General Reserves.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company was not required to transfer any amount to unclaimed dividend to investor education and protection fund.

MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

DEPOSITS:

The Company has not invited/accepted any deposits from the public during the year ended March 31, 2020. There were no unclaimed or unpaid deposits as on March 31, 2020.

STATUTORY AUDITOR:

M/s. R Soni & Company, Chartered Accountants, was appointed as Statutory Auditors of the Company for a period of three consecutive years at the Annual General Meeting held on September 29, 2017. In terms of the provisions of Section 139 of the

Companies Act, 2013 (the 'Act'), read with Rule 6 of the Chapter X of the Companies (Audit and Auditors) Rules, 2014 M/s. R. Soni & Co., Chartered Accountants, Mumbai (FRN: No130349W) have completed their tenure at the ensuing AGM.

Accordingly, the Board recommends the appointment of M/s Motilal & Associates (FRN 106584W), Chartered Accountants, as the Statutory Auditors of the Company for a period of five years from the conclusion of ensuing AGM till the conclusion of 36th AGM. As per the requirement of the Act, M/s Motilal & Associates, Chartered Accountants, have confirmed that the appointment if made would be within the limits specified under Section 141(3) (g) of the Act and they are not disqualified to be appointed as Statutory Auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORT:

There were no qualifications, reservations or adverse remarks made by the Auditors in their report.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, Ms. Madhuri Bohra, Practicing Company Secretary (Mem. No.: A54739 CP. No.: 20329), Mumbai, has been appointed to conduct a Secretarial Audit of the Company's secretarial and related records for the year ended March 31, 2020. The practicing Company Secretary has submitted her report on the Secretarial Audit conducted by her which is annexed to this report.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE SECRETARIAL AUDITOR IN THEIR REPORT:

The management has made note of the comments made by the Secretarial Auditors in her report for the year 2019-20. The Company has taken steps to comply with the reports and documents as mentioned in point no. 1 to 6 of the report MR-3 issued by the Secretarial Auditors. It was also noted by the management that same does not attract any penalties and any bearing on the performance of the Company.

BOARD OF DIRECTORS:

The Composition of the Board during the year was as per the provisions of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Companies Act, 2013.

As on 31st March, 2020, the Company's Board of Directors comprised of four directors of which Mr. J. T D'Souza is the Managing Director and Chairman, Ms. Punit Neb is the Whole-time Director and Chief Financial Officer and the rest Mr. Santosh Shetty, and Ms. Kajal Jain are Non- Executive and Independent Directors. The Board also met the requirement of Woman Director as prescribed under Listing Regulations, 2015.

Pursuant to Section 152 of the Companies Act, 2013 Ms. Punit Neb, Whole-time Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. The Board has recommended her re-appointment.

Upon the recommendation of Nomination and Remuneration Committee, the Board appointed Mr. Ravikumar Byrapatna Channappa (DIN – 06595061), as an Additional Director of the Company in the category of Independent Director subject to approval of members at the ensuing Annual General Meeting with effect from 27/06/2020 to 26/06/2025 in order to comply with the requirement of Section 149(1) of the Companies Act, 2013.

In terms of Section 161 of the Companies Act, 2013 he will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing pursuant to Section 160 of Companies Act, 2013, proposing the appointment of Mr. Ravikumar Byrapatna Channappa (DIN – 06595061), Director of the Company.

The Board has recommended the appointment of Mr. Ravikumar Byrapatna Channappa (DIN – 06595061), as an Independent Directors of the Company for a period of five consecutive years up to the 36th consecutive Annual General Meeting of the Company, not liable to retire by rotation.

Ms. Kajal Jain and Mr. Ravikumar Byrapatna Channappa Independent director have given declarations that they continue to meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

Mr. Santosh Shetty Non-Executive Independent Director had resigned from the Board w.e.f. 27th June, 2020. The Board acknowledges with gratitude the services rendered by Mr. Shetty during his tenure as the director of the Company.

The Board has decided to appoint Mr. Jude Terrence D'souza as the Chairman of Board who is also the Managing Director of the Company.

None of the Directors are disqualified for appointment/ re-appointment under Section 164 of the Act. As required by law, this position is also reflected in the Auditors' Report.

As required under Regulation 36(3) of the listing Regulations with the stock exchanges, the information on the particulars of Directors proposed for appointment/re–appointment has been given in the notice of annual general meeting.

None of the Directors hold directorships in more than 20 companies. Further individual directorships of any director's in public companies do not exceed 10. None of the Directors is serving as a member of more than ten committees or as the Chairman of more than five committees across all the public companies of which he is a Director.

The number of directorship and Committee Chairmanship/Memberships held by the Directors in other Public companies as on March, 2020 are given below:

Sr. No.	Name of Director(s)	Designation	No. of Other Directorship	No. of equity shares held in Co.	Member/ Chairperson of the committee	
					Member	Chairman
1	Mr. J.T. D'souza	M.D & Chairman	0	4,49,400	-	-
2	Ms. Punit Neb	Whole-time Director	0	29,300	2	-
3	Ms. Kajal Jain	Independent Director	2	-	4	3
4	Mr. Santosh Shetty	Independent Director	0	-	2	1

Directorships mentioned as above do not include directorships of Private Limited Companies, Companies under Section 8 of the Act and of companies incorporated outside India.

Positions in only the Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning the number of Chairmanships and Memberships held by the Directors.

None of the Non-Executive Independent Directors has any material pecuniary relationship or transactions with the Company, other than the commission and sitting fees received by them for attending the meetings of the Board and its Committee(s) and professional fees received by the firm in which a Director is a partner.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134 (3) (c) of the Companies Act, 2013, and based on the information provided by management, your Directors' state that:

a. In the preparation of the annual accounts for the financial year ended 31st March, 2020 the applicable accounting standards have been followed.
b. Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the State of affairs of the corporation as at the end of March 31, 2020 and of the profit of the Company for the year ended on that date.
c. Proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
d. The Annual Accounts of the Company have been prepared on the on-going concern basis.
e. That they have laid down internal financial controls commensurate with the size of the Company and that such financial controls were adequate and were operating effectively.
f. That system to ensure compliance with the provisions of all applicable laws was in place and was adequate and operating effectively.

DECLARATION OF INDEPENDENCE BY DIRECTORS:

The Independent Non-executive Directors of the Company, viz. Ms. Kajal Jain, and Mr. Ravikumar Byrapatna Channappa has affirmed that they continue to meet all the requirements specified under Regulation 16(1)(b) of the LODR Regulation, 2015 and Section 149(6) of the Companies Act, 2013 in respect of their position as an "Independent Director" of Sparc Systems Limited.

CORPORATE SOCIAL RESPONSIBILITY:

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013.

POLICIES ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The policies of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act is available on the website on this link: http://www.sparcsys.com/investors.htm

EVALUATION OF BOARD OF DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Independent Directors was completed.

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

The Board as a whole was evaluated on various parameters like Board Composition & Quality, Board Meetings and Procedures, adherence to the Code of Conduct etc. Based on each of the parameter, the Board of Directors formed an opinion that performance of Board as a whole has been satisfactory.

MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Independent Directors was completed.
The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

MEETING OF INDEPENDENT DIRECTORS:

The meeting of Independent Directors was scheduled on 30th March, 2020 but due to lockdown meeting could not be held in person and the Company had availed the exemption granted by MCA vide its General circular No. 11/2020 dated 24th March, 2020 Viz. Special Measures under Companies Act, 2013 (CA-2013) and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak.

SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:

The Company does not have subsidiary, Join Venture & Associate Companies as on March 31, 2020.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

During the year under review, the Company has not advanced any loans, nor given any guarantees nor made any investments.

PARTICULARS OF EMPLOYEES:

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of contract or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC-2 are appended as **Annexure-II.**

EXTRACT OF ANNUAL RETURN:

Pursuant to requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is given in the Report as **Annexure III**.

NUMBER OF MEETINGS OF THE BOARD:

The Board met 6 (Six) times during the financial year on 27.05.2019, 30.05.2019, 18.07.2019, 31.08.2019, 14.11.2019 and 14.02.2020. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

RISK MANAGEMENT POLICY:

The Company has in place adequate controls with reference to implementation, monitoring, assessing and resolving risk management policy. For each of the risk identified, corresponding controls are assessed and policies and procedure are in place for monitoring, mitigating and reporting risk on a periodic basis.

ADEQUACY OF INTERNAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

PARTICULARS OF EMPLOYEES AND RELATED INFORMATION:

In terms of the provisions of Section 197(12) of the Act, there are no employees of the Company drawing remuneration in excess of the limits set out in the said provision.

In terms of provision of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules are as under. The disclosures as specified under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-2020, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-2020 and the comparison of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of the Directors/KMPs	Remuneration Received	% Increase in the year ended 2019-2020	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Jude Terrence D'souza (Chairman and Managing Director)	-	Nil	Nil
2	Ms. Punit Nab (Whole-time Director and CFO)	-	Nil	Nil
3	Ms. Kajal Jain (Independent Director)	-	Nil	Nil
4	Mr. Santosh Shetty $ (Independent Director)	-	Nil	Nil
5	Ms. Deepika Singh@ (Cs & Compliance Officer)	1,04,000	N.A.	Nil

Note: @ Resigned w.e.f. 14.02.2020; $ Resigned w.e.f. 27.06.2020

- There are no permanent employees. Trainees and apprentices are deployed on project basis.
- The median remuneration of employees of the Company during the financial year 2019-20 was **Rs. NIL.**
- In the financial year 2019-20, there was an increase of NIL% in the median remuneration of employees.
- As on March 31, 2020, there were no permanent employees who were on the roll of the Company.
- Relationship between average increase in remuneration and Company performance.
- The total remuneration did not increase in 2019-20; whereas Profit/loss After Tax was Rs. (1.20) lakhs as compared to a profit of Rs.10.91 lakhs in 2018-19.
- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The total remuneration of the Key Managerial Personnel(s) did not increase in 2019-20; whereas Profit/loss After Tax was Rs. (1.20) lakhs as compared to a profit of Rs.10.91 lakhs in 2018-19.

LISTING OF SHARES:

Equity Shares of the Company are listed on Bombay Stock Exchange only and the Company has paid the necessary Listing Fees for the Year 2020-2021. The Company has executed a New Listing Agreement with the Bombay Stock Exchange pursuant to SEBI (LODR) Regulation 2015.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

Particulars as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 is annexed to this report.

FOREIGN EXCHANGE:

Inflow and Outflow of Foreign Exchange are given is annexed to this report.

CODES OF CONDUCT:

The Board of Directors of the Company has laid down required Codes of Conduct. It has also adopted Code for Independent Directors as per Schedule IV of the Companies Act, 2013. All Board members including Independent Directors and Senior Management Personnel have affirmed compliance with the respective Codes of Conduct for the year under review. The Code of Conduct is available on the Company's website www.sparcsys.com.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS:

Since the Company is falling within the criteria of Regulation 15 (2) of SEBI (Listing Obligation & Disclosure) Regulations, 2015. Therefore, Corporate Governance requirement prescribed under SEBI (Listing Obligation & Disclosure) Regulations, 2015 are not applicable to the Company as on March 31, 2020.

A report on Management Discussion and Analysis for the year under review is annexed and forms a part of this report.

AUDIT COMMITTEE

In order to align with the provisions of Section 177 of the Companies Act, 2013 and Listing Regulation with the Stock Exchanges. The terms of reference of the Audit Committee includes the following:

The brief terms of reference of the Audit Committee, inter alia, include:

The terms of reference of the Committee are aligned with the terms of reference provided under Section 177 of the Companies Act, 2013 and Para B of Part D of Schedule II of the Listing Regulations are as below:

- To recommend the appointment / removal of Auditors, fixing of audit fees and approval of payments
- To review and monitor the Auditor's independence and performance, and effectiveness of audit process, to examine the financial statements and auditor's report thereon, scrutiny of inter-corporate loans and investments
- To approve or make any subsequent modification of transactions of the Company with related parties.

- To value the undertakings or assets of the Company, wherever it is necessary
- To evaluate the internal financial controls and risk management systems
- To monitor the end use of funds raised through public offers and related matters
- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial Statements are correct, sufficient and credible

Composition:

Name of the Directors	No. of Meetings held	Entitlement to attend	No. of Meetings attended
Ms. Kajal Jain	4	4	4
Mr. Santosh Shetty	4	4	4
Ms. Punit Neb	4	4	4

Ms. Kajal Jain is the Chairman of the committee.

Meetings:
Total (4) four audit committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows: 30/05/2019, 18/07/2019, 14/11/2019, and 14/02/2020. The necessary quorum was present for all the meetings.

NOMINATION AND REMUNERATION COMMITTEE AND ITS POLICY:

The Nomination and Remuneration Committee, constituted by the Board of Directors pursuant to Section 178 of the Companies Act, 2013. The committee is responsible to identify persons who are qualified to become directors or senior management employees and recommend to the Board their appointment / removal, oversee and administer executive compensation etc. The Company has formulated the remuneration policy. The details of this policy are available on the Company's website www.sparcsys.com.

The terms of reference of this committee:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Recommending remuneration payable to Managing Director and other Directors as and when necessity arises.

Composition:

Name of the Directors	No. of Meetings held	Entitlement to attend	No. of Meetings attended
Ms. Kajal Jain	1	1	1
Mr. Santosh Shetty	1	1	1
Ms. Punit Neb	1	1	1

Mr. Santosh Shetty, Independent Director is the Chairman of this Committee.

Meetings:
Total (1) one meeting was held during the year on 31.08.2019. The necessary quorum was present at the meeting.

STAKEHOLDERS RELATIONSHIP COMMITTEE COMPOSITION & MEETINGS OF COMMITTEE:

Terms of the Committee

- To scrutinize and approve registration of transfer of shares/warrants issued or to be issued.
- The Shareholders' and Investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividends and matters related thereto.
- To exercise all power conferred on the Board of Directors under Articles of Association.
- Attending to investors' queries and complaints regarding transfer, dividend, annual reports, etc.
- Attending to complaints of Investor routed by SEBI / Stock Exchanges / RBI.

Details of Pending Investor Grievances:
There were no investor grievances pending for redressal as the end of the financial year and all the queries from the stakeholders were attended to promptly. Further there were no pending transfers for the year under review.

Details of the Compliance Officer designated for handling of the investor grievances:
Name: Mr. Deep Shah
Address: Sparc Systems Ltd., #16 Ground Floor, Lovely, Sector 2, Airoli, Navi Mumbai – 400708
Email ID: sparc@mtnl.net.in

Composition:

Name of the Directors	No. of Meetings held	Entitlement to attend	No. of Meetings attended
Ms. Kajal Jain	4	4	4
Mr. Santosh Shetty	4	4	4
Ms. Punit Neb	4	4	4

Ms. Kajal Jain is the Chairman of the committee.

Meetings:
Total (4) four meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows: 30/05/2019, 18/07/2019, 14/11/2019, and 14/02/2020. The necessary quorum was present for all the meetings.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has formulated and implemented the Whistle Blower Policy / Vigil Mechanism. This has provided a mechanism for Directors and employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; any instance of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The aforesaid policy has also been uploaded on the Company's website sparcsys.com.

During the financial year 2019-2020, no cases under this mechanism were reported in the Company and any of its subsidiaries/ associates.

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013 provides for protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto. The Company has framed a Policy on Prevention of Sexual Harassment at Workplace as per the provisions of this Act. During the year under review, no cases were reported under the said policy during the financial year 2019-2020.

DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENT UNDER THIS CLAUSE:

The Company is in Compliance with all mandatory requirements of Listing Regulations. In addition Company has also adopted the following Non-mandatory requirements voluntarily to the extent mentioned below:

Certificate as required under Part C of Schedule V of Listing Regulations, have been received from M/s. Pankaj Trivedi & 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 the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT (FORMERLY KNOWN AS SECRETARIAL AUDIT REPORT) AND CERTIFICATE OF COMPLIANCE WITH REGULATION 40(9) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The SEBI vide Circular No. CIR/MRD/DP/30/2010 dated 6th September, 2010 has modified the terminology of Secretarial Audit, as Reconciliation of Share Capital Audit. A qualified Practicing Company Secretary has carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and total issued and listed capital. The Reconciliation of Share Capital Audit (formerly known as Secretarial 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. The audit is carried out by M/s. Praveen Jain & Associates., Practicing Company Secretaries every quarter and report thereon is submitted to the Stock Exchanges along with half yearly Compliance Certificate as per Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and placed before the Board of Directors.

DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES AND STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGES OR SEBI, OR ANY STATUTORY AUTHORITIES, ON ANY MATTER RELATED TO CAPITAL MARKETS DURING LAST THREE YEARS:

During the year under review, the Company has complied with the requirements of regulatory authorities. No penalties / strictures were imposed on the Company by Stock Exchanges / SEBI or any other statutory authority on any matter related to capital market. However BSE has imposed total penalty of Rs. 1,28,620/- for non-compliance with the provisions of Regulation 6(1) (pertaining to appointment of a qualified company secretary as the compliance officer).

PREVENTION OF INSIDER TRADING:

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prevention of Insider Trading) Regulation, 2015 and the same is available on the Company's website. This policy also includes practices and procedures for fair disclosures of unpublished price-sensitive information, initial and continual disclosures.

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT (UNCLAIMED SHARES): NIL
MANAGING DIRECTORS DECLARATION ON CODE OF CONDUCT AND ETHICS:

The Board of Directors of the Company has laid down Code of Conduct and Ethics (The Code) for the Company's Directors and Senior Executives. All the Directors and the Senior Executives covered by the code have affirmed compliance with the code on an annual basis.

MEANS OF COMMUNICATION:

The quarterly, half-yearly and annual Financial Results of the Company are forwarded to BSE Limited immediately upon its approval by the Board of Directors and are simultaneously published in national and regional newspapers. In accordance with the Listing Agreement requirements, data pertaining to Shareholding Pattern, Quarterly Financial Results and other details are forwarded to the Stock Exchange. During the year under review, no presentation was made to the institutional investors or analysts.

Company's Website - The Financial Results was also displayed on the Company's website www.sparcsys.com the Company also keeps on updating its website with other relevant information, as and when required. The company did not make any official news releases nor made any presentations to the institutional investors or analysts, during the period under review.

Annual Report- Annual Report containing, inter alia, the Standalone Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members of the Company prior to the AGM. The Report on Management Discussion and Analysis forms part of the Annual Report. The Annual Report of the Company is also available on the website of the Company in a user friendly and downloadable format.

POSTAL BALLOT:

No Extra Ordinary General Meeting was held during the year. No Postal Ballot was conducted by during the year.

GENERAL BODY MEETING:

Location, date and time of the Annual General Meetings held during the last three years are given below:

Financial Year	Type of Meeting	Location	Meeting Date & Time
2018-2019	30th AGM	Plot No.11, Survey No. 118- 1 & 2, Village, Pundhe, Taluka Shapur, At post- Athgon, District-Thane- 421601	30th Sept, 2019 at 10:00 a.m.
2017-2018	29th AGM	Plot No.11, Survey No. 118- 1 & 2, Village, Pundhe, Taluka Shapur, At post- Athgon, District-Thane- 421601	29th Sept, 2018 at 10:00 a.m.
2016-2017	28th AGM	Plot No.11, Survey No. 118- 1 & 2, Village, Pundhe, Taluka Shapur, At post- Athgon, District-Thane- 421601	29th Sept, 2017 at 10:00 a.m.

GENERAL INFORMATION FOR MEMBERS

A. 31st Annual General Meeting

Day & Date	Time	Venue
Sunday, 27th September, 2020	11.00 a.m.	(Video- Conferencing Mode)

B. Financial Calendar (2020-2021)

Particulars	Period
Financial Year	April 1, 2020 to March 31, 2021
For consideration of Unaudited/Audited Financial Results	
Results for quarter ending June 30, 2020	On or before September 14, 2019 (1 Month of extension by SEBI due to Covid-19)
Results for quarter ending September 30, 2020	On or before November 14, 2020
Results for quarter ending December 31, 2020	On or before February 14, 2021
Results for quarter ending March 31, 2021	On or before May 30, 2021
AGM for the year ending March 31, 2021	On or before September 30, 2021

C. Book Closure Date

The Company's Share Transfer Books and Register of Members of equity shares shall remain closed from the 22.09.2020 to 27.09.2020. (Both days inclusive)

D. Share Transfer System

Share transfers in physical form are processed by the Registrar and Transfer Agents, Universal Capital Securities Private Limited and are approved by the Stakeholders Relationship Committee of the Company or the authorized signatories of the Company. Share transfers are registered and returned within 15 days from the date of lodgement if documents are complete in all respects. The depository system handles share transfers in dematerialized form.

E. Dividend Payment Date: Not Applicable.

F. a. Listing of Equity Shares: Bombay Stock Exchange
b. Listing fee for F.Y. 2020-21 has been paid to the BSE Ltd.

G. a. BSE Script Code: 531370
b. Demat ISIN Numbers is INE960B01015.

H. Dematerialization of Shares

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories, viz, National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Percentages of Shares held in physical and dematerialized form as on 31st March, 2020 are as follows:

Mode	No. of Shares	% Shares
Physical Form	9,95,300	20.35%
With NSDL	32,12,113	65.71%
With CDSL	6,81,587	13.94%
Total	**48,89,000**	**100%**

I. Market Price Data:

The monthly 'high' and 'low' closing prices of the shares traded during the period from **April 2019 to March 2020** on BSE are given below:

Month	High Price	Low Price	Close Price	No. of Shares
Apr-19	5.13	5.13	5.13	513
May-19	-	-	-	-
Jun-19	-	-	-	-
Jul-19	4.88	3.65	3.65	494
Aug-19	3.60	3.42	3.42	26
Sep-19	3.59	3.42	3.59	502
Oct-19	3.59	3.59	3.59	50
Nov-19	3.60	3.45	3.45	860
Dec-19	3.51	3.07	3.23	7,114
Jan-20	3.22	2.92	3.06	12,609
Feb-20	3.36	3.04	3.04	2,957
Mar-20	3.65	3.19	3.65	270

J. Shareholding Pattern Of The Company As On 31st March, 2020

Category	No. of Shares held	% of Shareholding
A. Promoter's Holding		
1. Promoters		
- Indian Promoters	11,98,300	24.51%
- Foreign Promoters	0	0.00%
2. Persons acting in concert	0	0.00%
Sub – Total	**11,98,300**	**24.51%**
B. Non-Promoter's Holding		
3. Institutional Investors	0	0.00%
a) Mutual Funds and UTI	40,400	0.83%
b) Banks, Financial Institutions, Insurance Cos.	0	0.00%
c) Central/State Govt. Institutions / Non-Government Institutions)	0	0.00%
C. FII's	**0**	**0.00%**
Sub – Total	**40,400**	**0.83%**
4. Other Cl. Member	0	0.00%
a) Private Corporate Bodies	1012410	20.71%
b) Indian Public & Huf	14,96,703	46.14%
c) NRI's	2,51,700	05.15%
d) OCB's	0	0.00%
Sub-Total	**36,50,300**	**74.66%**
Grand Total	**48,89,000**	**100.00%**

K. Distribution of shareholding as on 31st March, 2020

No. of Shares held	No. of Shareholders	% to total Shareholders	In Rs.	% to total Shares
Up to 500	1424	61.75	39,05,010	7.987
501 – 1000	595	25.802	54,31,830	11.11
1001-2000	152	6.592	24,38,740	4.988
2001-3000	41	1.778	10,84,670	2.219
3001-4000	12	0.520	4,34,120	0.888
4001-5000	20	0.867	9,55,150	1.954
5001-10000	19	0.824	14,14,980	2.894
10,000 and above	43	1.865	3,32,25,500	67.960
TOTAL	**2306**	**100%**	**4,88,90,000**	**100%**

DISCLOSURES

The Company has adopted the Code of Ethics and Business principles for the members of Board and senior management personnel. The Company has adopted a Code of Conduct for Prevention of Insider Trading ("the Code") in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and its subsequent amendment. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof. Further, it is affirmed that no personnel have been denied access to the Audit Committee. Employees can report to the Management concerned regarding unethical behaviour, act or suspected fraud or violation of the Company's Code of Conduct Policy.

The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.

CAUTIONARY STATEMENT

Statements in the Management Discussion & Analysis describing the Company's objectives, projections and expectations maybe "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include economic conditions affecting demand / supply & price conditions in the markets in which the Company operates, changes in Government regulations, tax laws, litigation, exchange rate fluctuations, interest, other cost and certain presumptions on which estimates are based and other incidental factors.

ACKNOWLEDGEMENT:

The Directors acknowledge with gratitude the co-operation and assistance extended to the Company by Shareholders, Employees, Customers, Bankers, Auditors, Company Secretaries, Registrar & Share Transfer Agents and Vendors.

For and on behalf of the Board

Sd/-	**Sd/-**
J. T. D'souza	**Punit Neb**
Managing Director	**Whole-time Director**
DIN: 00958844	**DIN: 01026300**

Mumbai, August 25, 2020

ANNEXURE-I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

[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,
M/s. Sparc Systems Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sparc Systems Limited (hereinafter called "the Company"). Subject to limitation of physical interaction and verification of records caused by COVID-19 pandemic lock down while taking review after completion of financial year. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and return is filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, has 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 Company for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(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 thereunder;

(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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (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) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (Not applicable to the Company during the Audit Period);

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. (Not applicable to the Company during the Audit Period);

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable to the Company during the Audit Period);

  (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Audit period);

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not applicable to the Company during the Audit period);

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

Having regards to the compliance system prevailing in the Company, information representation provided by management and on examination of the relevant documents and records it was observed that no other laws were applicable to the companies during the year under review.

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

(i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and;
(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (As amended).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:

1. The Company has not submitted a report under Regulation 74(5) of SEBI (DP) Regulation, 2018 to the exchange for the quarter ended 30.09.2019.

2. The Certificate under Regulation 76(1) SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended 31.12.2019 was submitted to the exchange in pdf form on 29th May, 2020.

3. The Company has not submitted Statement of Related Party Transactions in terms of Regulation 23(9) of SEBI (LODR) Regulation, 2015 for the half year ended 31.03.2019 and 30.09.2019.

4. In terms of Regulation 34(1) of SEBI (LODR) Regulation, 2011, the Company had not submitted a copy of adopted Annual Report to the Stock Exchange within 21 working days of its adoption in Annual General Meeting.

5. In terms of regulation 44 of SEBI (LODR) Regulation, 2015, the Company was required to submit to the stock exchange, within forty eight hours of conclusion of its General Meeting, details regarding the voting results in the specified format and there was evident delay of 7.30 hours in submission of the same.

6. As explained Company do not follow practice of publication of notice of meeting of the Board of Directors where financial results shall be discussed and publication of Financials as required under Regulation 47(1) and 47(2) of SEBI (LODR) Regulation, 2015

I further report that:

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes made 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.

(ii) Adequate notice is given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

(iii) Decisions at the Board Meetings, as represented by the management and recorded in minutes, were taken unanimously.

(iv) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

(v) 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.

I further report that during the audit period there were no major specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

During the year under review, the Company has complied with the requirements of regulatory authorities. No penalties / strictures were imposed on the Company by Stock Exchanges / SEBI or any other statutory authority on any matter related to capital market. However BSE has imposed total penalty of Rs. 1,28,620/- for non-compliance with the provisions of Regulation 6(1) (pertaining to appointment of a qualified company secretary as the compliance officer).

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.

For Madhuri J. Bohra
Company Secretary in Practice

Sd/-
Madhuri J. Bohra
(Proprietor)
CP No. 20329
Place: Mumbai
Dated: 25th August, 2020

ANNEXURE I
TO THE SECRETARIAL AUDIT REPORT

To
The Member,
Sparc Systems Limited

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

Management's Responsibility

1) It is the Responsibility of Management of the Company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2) I 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 the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.

3) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4) Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.

5) The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

Disclaimer

6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Madhuri J. Bohra
Company Secretary in Practice

Sd/-
Madhuri J. Bohra
(Proprietor)
CP No. 20329
Place: Mumbai
Dated: 25th August, 2020

ANNEXURE-II

FORM - AOC-2
RELATED PARTY TRANSACTION:

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

This Form pertains to the disclosure of particulars of contracts/ arrangements 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 transactions under third proviso thereto.

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

There were no contracts or arrangement or transactions entered into during the year ended March 31, 2020.

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

a. Name(s) of the related party and nature of relationship: N.A.
b. Nature of contracts/arrangements/transactions: N.A.
c. Duration of the contracts/arrangements/transactions: N.A.
d. Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
e. Date(s) of approval by the Board, if any: N.A.
f. Amount paid as advance, if any: N.A.

For and on behalf of the Board

Sd/-	**Sd/-**
J. T. D'souza	**Punit Neb**
Managing Director	**Whole-time Director**
DIN: 00958844	**DIN: 01026300**

Mumbai, August 25, 2020

ANNEXURE-III

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2020
Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:		
i	CIN	L72100MH1989PLC053467
ii	Registration Date	01/09/1989
iii	Name of the Company	Sparc Systems Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
v	Address of the Registered office & Contact details	Plot No. 11, Survey No 118/1-2, Village Pundhe at Post Athgaon, Thane- 421601 Phone No. 27792473/27792478/27792481 Fax: 27792481 Website: www.sparcsys.com Email sparc@mtnl.net.in
vi	Whether Listed Company	Yes
vii	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	Universal Capital Securities Pvt Ltd 21 Shakil Niwas, Mahakali Caves Road, Andheri (E) Mumbai- 400093 Phone No. +9122 28207203-05/ 2825 7641 Fax +9122 28207207 Email: info@unisec.in Website: www.unisec.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated below:

Sr. No.	Name and Description of main products/services	NIC Code of the Products/Services	% to total turnover of the company
1	Electric sound or visual signaling apparatus	8531	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:

Sr. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	N/A	-	-	-	-

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i. Category of Shareholder	No. of Shares held at the beginning of the year 31/03/2019				No. of Shares held at the end of the year 31/03/2020				% Change
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(A) Shareholding of Promoter and Promoter Group2									
(1) Indian									
- Individual / HUF	478700	0	478700	9.79	4,78,700	0	478700	9.79	0.00
- Central / State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
- Bodies Corporate	846100	0	846100	17.31	719600	0	719600	14.72	(2.59)
- Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
- Any Others (Specify)	0	0	0	0	0	0	0	0	0
- Group Companies	0	0	0	0.00	0	0		0.00	0.00
- Trusts	0	0	0	0.00	0	0	0	0.00	0.00
- Directors Relatives	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL :	**1324800**	**0**	**1324800**	**27.10**	**1198300**	**0**	**1198300**	**24.51**	**(2.59)**
(A) Shareholding of Promoter and Promoter Group2									
(2) Foreign									
- Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
- Individual	0	0	0	0.00	0	0	0	0.00	0.00
- Institutions	0	0	0	0.00	0	0	0	0.00	0.00
- Qualified foreign investor	0	0	0	0.00	0	0	0	0.00	0.00
- Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL :	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoters (A1+A2)	**1324800**	**0**	**1324800**	**27.10**	**1198300**	**0**	**1198300**	**24.51**	**(2.59)**
(B) Public shareholding									
(1) Institutions									
- Central / State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
- Financial Institutions /	0	0	0	0.00	0	0	0	0.00	0.00

Banks									
- Mutual Funds / UTI	0	40400	0.83	0.00	0	40400	40400	0.83	0.00
- Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
- Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
- FII'S	0	0	0	0.00	0	0	0	0.00	0.00
- Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
- Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
- Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
- Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
- Alternate Investment Fund	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL :	**0**	**40400**	**40400**	**0.83**	**0**	**40400**	**40400**	**0.83**	**0.00**
(B) Public shareholding									
(2) Non-institutions									
(a) Bodies Corporate									
- Indian Bodies Corp	1011110	1300	1012410	20.71	1010549	1300	1011849	20.70	(0.01)
- Overseas Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individual									
- Capital upto to Rs. 1 lac	628025	717200	1345225	27.52	620693	647050	1267743	25.93	(1.58)
- Capital greater than Rs. 1 lac	818125	41900	860025	17.59	969106	97850	1066956	21.82	4.23
(c) Any others (Specify)									
- Hindu Undivided Family	50553	0	50553	1.03	52052	0	52052	1.06	0
- Trusts	0	0	0	0.00	0	0	0	0.00	0.00
- Clearing member	1887	0	1887	0.04	0.00	0	0.00	0.00	(0.04)
- NRI (Repat)	41000	212700	253700	5.19	43000	208700	251700	5.15	(0.04)
- NRI (Non Repat)	0	0	0	0.00	0	0	0	0.00	0.00
- Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
- Employee	0	0	0	0.00	0	0	0	0.00	0.00
- Unclaimed Suspense A/c	0	0	0	0.00	0	0	0	0.00	0.00
- IEPF	0	0	0	0.00	0	0	0	0.00	0.00
- Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
- NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL	**2550700**	**973100**	**3564200**	**72.08**	**2695400**	**954900**	**3650300**	**74.66**	**2.59**
Total Public Shareholding (B1+B2) :	**2550700**	**1013500**	**3564200**	**72.90**	**2695400**	**995300**	**3690700**	**75.49**	**2.59**
(C) Shares held by Custodians and against which Depository Receipts have been issued									
Shares held by Custodians	0	0	0	0.00	0	0	0	0.00	0.00
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
Public	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Public Shareholding	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
GRAND TOTAL	**3875500**	**1013500**	**4889000**	**100**	**3893700**	**995300**	**4889000**	**100**	**0.00**

ii. Shareholding of Promoters & Promoter Group

SL No	Shareholder's Name	Shareholding at beginning of the year 31/03/2019			Shareholding at the end of the year 31/03/2020			% Change
		No of Shares	% of total Shares of the Co.	% of Shares pledged/ encumbered to total Shares	No of Shares	% of total Shares of the Co.	% of Shares pledged/ encumbered to total Shares	
1	Jude Terrence D'souza	449400	9.19	0.00	449400	9.19	0.00	0.00
2	Punit Manmohan Sing Neb	29300	0.60	0.00	29300	0.60	0.00	0.00
3	Satta Securities Pvt Ltd	126500	2.59	0.00	0	0.00	0.00	(2.59)
4	Epson Finance & Investment Pvt Ltd	719600	14.72	0.00	719600	14.72	0.00	0.00
	TOTAL	**1324800**	**27.10**	**0.00**	**1198300**	**24.51**	**0.00**	**(2.59)**

iii. Change in Promoters' Shareholding as on the F.Y. Ended on 31-03-2020

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the Beginning 31.03.2019	% total Shares of the Co.				No. of Shares at the end 31.03.2020	% total Shares of the Co.
1	Satta Securities Pvt Ltd	126500	2.59	02.08.2019	(126500)	Sell	0	0.00

2	Jude Terrence D'souza	449400	9.19	-	-	-	449400	9.19
3	Punit Manmohan Sing Neb	29300	0.60	-	-	-	29300	0.60
4	Epson Finance & Investment Pvt Ltd	719600	14.72	-	-	-	719600	14.72

iv. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders of GDRS & ADRS)

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2019		Cumulative Shareholding during the year 31/03/2020		Type of Transaction
		No. of Shares	% of Total Shares of the Co.	No. of Shares	% change in shareholding during the year	
1	**Vora Constructions Ltd**	3,79,649	7.77%	3,79,649	7.77%	N.A.
	Shares Bought during the year	-	-	3,79,649	7.77%	
	Shares Sold During the year	-	-	3,79,649	7.77%	
	Closing balance	3,79,649	7.77%	3,79,649	7.77%	
2	**Khem Sum Apparels Overseas Ltd**	2,89,665	5.92%	2,89,665	5.92%	Sold
	Shares Bought during the year	-	-	2,89,665	5.92%	
	Shares Sold During the year 12.07.2019 19.07.2019 26.07.2019	 110 250 134	 0.00 0.01 0.00	 2,89,061 2,88,811 2,88,677	 5.92% 5.91% 5.91%	
	Closing balance	2,89,171	5.91%	2,89,171	5.91%	
3	**Gulechha Investment & Trading Co Pvt Ltd**	1,59,900	3.27	1,59,900	3.27	N.A.
	Shares Bought during the year	-	-	1,59,900	3.27%	
	Shares Sold During the year	-	-	1,59,900	3.27%	
	Closing balance	1,59,900	3.27%	1,59,900	3.27%	
4	**Sanmitra Commercial Ltd**	1,49,874	3.07%	1,49,874	3.07%	N.A.
	Shares Bought during the year	-	-	1,49,874	3.07%	
	Shares Sold During the year	-	-	1,49.874	3.07%	
	Closing balance	1,49,874	3.07%	1,49,874	3.07%	
5	**Kaushalyadevi Mundra**	95,000	1.94%	95,000	1.94%	N.A.
	Shares Bought during the year	-	-	95,000	1.94%	
	Shares Sold During the year	-	-	95,000	1.94%	
	Closing balance	95,000	1.94%	95,000	1.94%	
6	**Sampat Jasraiji Baldia**	87,000	1.78%	87,000	1.78%	N.A.
	Shares Bought during the year	-	-	87,000	1.78%	
	Shares Sold During the year	-	-	87,000	1.78%	
	Closing balance	87,000	1.78%	87,000	1.78%	
7	**Nisha Lodha**	72,300	1.48%	72,300	1.48%	N.A.
	Shares Bought during the year	-	-	72,300	1.48%	
	Shares Sold During the year	-	-	72,300	1.48%	
	Closing balance	72,300	1.48%	72,300	1.48%	
8	**Bhavna Naresh Jain**	70,000	1.73%	70,000	1.73%	N.A.
	Shares Bought during the year	-	-	70,000	1.73%	
	Shares Sold During the year	-	-	70,000	1.73%	
	Closing balance	70,000	1.73%	70,000	1.73%	
9	**Devang K Mehta**	65,364	1.34%	65,364	1.34%	N.A.
	Shares Bought during the year	-	-	65,364	1.34%	
	Shares Sold During the year	-	-	65,364	1.34%	
	Closing balance	65,364	1.34%	65,364	1.34%	
10	**Sudhir Mukund Lad**	18,100	0.37%	18,100	0.37%	Bought and Sold
	Shares Bought during the year 02-08-2019	 64,400	 1.32%	 82,500	 1.69%	
	Shares Sold During the (05-07-2019)	500	0.01%	82,000	1.68%	
	Closing balance	82,000	1.68%	82,000	1.68%	
11	**Gunjan Patni**	43,500	0.89%	43,500	0.89%	N.A.
	Shares Bought during the year	-	-	43,500	0.89%	
	Shares Sold During the year	-	-	43,500	0.89%	
	Closing balance	43,500	0.89%	43,500	0.89%	

v. Shareholding Pattern of Directors and Key Managerial Personnel

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2019		Cumulative Shareholding during the year 31/03/2020	
		No. of Shares	% of Total Shares of the Co.	No. of Shares	% of Total Shares of the Co.
1	Mr. Jude Terrence D'souza (Managing Director)	4,49,400	9.19%	4,49,400	9.19%
2	Ms. Punit Manmohansingh Neb (Whole-time Director)	29,300	0.60%	29,300	0.60%
3	Ms. Kajal Jain (Independent Director)	-	-	-	-
4	Mr. Santosh Shetty $ (Independent Director)	-	-	-	-
5	Mr. Ravikumar Byrapatna Channappa * (Independent Director)	-	-	-	-
6	Ms. Deepika Singh@ (Cs & Compliance Officer)	-	-	-	-
7	Mr. Deep Shah # (CS & Compliance Officer)	-	-	-	-

Note: @ Resigned w.e.f. 14.02.2020; $ Resigned w.e.f. 27.06.2020; # Appointed w.e.f. 01.06.2020; *Appointed w.e.f.27.06.2020

vi. Indebtedness of the company including interest Outstanding / Accrued but not due for Payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	-	70,000	-	70,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (I+II+III)		**70,000**	**-**	**70,000**
Change in Indebtedness during the financial year				
Additions	-	99,000	-	99,000
Reduction	-	-	-	-
Net Change	**-**	**99,000**	**-**	**99,000**
Indebtedness at the end of the financial year				
i) Principal Amount	-	1,69,000	-	**1,69,000**
ii) Interest due but not paid	-	-	-	**-**
iii) Interest accrued but not due	-	-	-	**-**
Total (I+II+III)	**-**	**1,69,000**	**-**	**1,69,000**

vii. Remuneration of Directors and Key Managerial Personnel

(A) Remuneration to Managing Director, Whole time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Mr. J.T. D'souza (MD)	Ms. Punit Neb (WTD)	Total Amount
1	Gross salary	-	-	-
a	Salary as per provisions contained in section 17(1) of the I.T. Act, 1961	-	-	-
b	Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-
c	Profits in lieu of salary under section 17(3) I.T. Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify – Sitting Fee	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

(B) Remuneration to Other Directors:

Sr. No.	Particulars of Remuneration	Mr. Santosh Shetty	Ms. Kajal Jain	Mr. Ravikumar Channappa
1	Independent Directors	-	-	-
	Fee for attending Board committee meetings			
	Commission	-	-	-
	Others (Fee for attending Independent Directors meeting)	-	-	-
	Total (1)	-	-	-
2	Other Non-Executive Directors	-	-	-

	Fee for attending Board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	**-**	**-**	**-**
	Total Managerial Remuneration	**-**	**-**	**-**

(C) Remuneration to Key Managerial Personnel other than MD/ WTD/ Manager				
Sr. No.	**Particulars Of Remuneration**	**Ms. Punit Neb (CFO)**	**Ms. Deepika Singh (CS) Regn w.e.f. 11.02.2020**	**Total Amount**
1	Gross salary	**-**	**1,04,000**	**1,04,000**
a	Salary as per provisions contained in section 17(1) of the I.T. Act, 1961	**-**	**1,04,000**	**1,04,000**
b	Value of perquisites u/s 17(2) I.T. Act, 1961	**-**	**-**	**-**
c	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	**-**	**-**	**-**
2	Stock Option	**-**	**-**	**-**
3	Sweat Equity	**-**	**-**	**-**
4	Commission	**-**	**-**	**-**
	- as % of profit	**-**	**-**	**-**
	- Others, specify…	**-**	**-**	**-**
5	Others, please specify -	**-**	**-**	**-**
	Total	**-**	**1,04,000**	**1,04,000**

viii. Penalties/Punishments/Compounding of Offences					
Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalties/ Punishment/ Compounding fees imposed**	**Authority (RD/ NCLT/Court)**	**Appeal made, if any (give details)**
COMPANY					
Penalty			None		
Punishment					
Compounding					
DIRECTORS					
Penalty			None		
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board

Sd/-	**Sd/-**
J. T. D'souza	**Punit Neb**
Managing Director	**Whole-time Director**
DIN: 00958844	**DIN: 01026300**

Mumbai, August 25, 2020

ANNEXURE – IV & V

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO:

A. Conversion of energy

i. The Steps taken or impact on conservation of energy: NIL
ii. The Steps taken by the company for utilizing alternate source of energy: NIL
iii. The Capital investment on energy conversation equipments: NIL
iv. The Electronic Industry is a low power consumption industry. Therefore the cost of electricity purchased and generated through genset is very low and efforts are made to minimize the use of energy.

B. Technology absorption:

i. The efforts made towards technology absorption: NIL
ii. The benefits derived like product improvement, cost reduction, product development or import substation: NIL
iii. The expenditure incurred on Research and Development : NIL

C. Foreign exchange Earnings and Outgo:

i. Foreign Exchange earns in terms of Actual inflows: NIL (P.Y. NIL)
ii. Foreign Exchange outgo in terms of Actual Outflows: NIL (P.Y. NIL)

For and on behalf of the Board

Sd/-	**Sd/-**
J. T. D'souza	**Punit Neb**
Managing Director	**Whole-time Director**
DIN: 00958844	**DIN: 01026300**

Mumbai, August 25, 2020

ANNEXURE –VI

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Sparc Systems Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Sparc Systems Limited having CIN L72100MH1989PLC053467 and having registered office at Plot No. 11, Survey No. 118 / 1 – 2, Village Pundhe Taluka Shahapur, at post Athgaon, Thane – 421601 and (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officer, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 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 other Statutory Authority.

No.	DIN	Name of Director(s)	Date of Appointment in Company
1	00958844	Jude Terrence D'souza	14/09/1989
2	01026300	Punit Manmohansingh Neb	01/12/2012
3	08129655	Kajal Ashok Jain	30/03/2019
4	03043071	Santosh Vittal Shetty	01/10/2002

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pankaj Trivedi & Co.,
Company Secretary in Practice

Sd/-
Pankaj Trivedi
(Proprietor)
CP No. 15301

Place: Mumbai
Dated: 25.08.2020

MANAGEMENT DISSCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis have been included in accordance with the Code of Corporate Governance as approved by The Securities and Exchange Board of India (SEBI). Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments, events or otherwise.

The management of the Company is presenting herein the overview, opportunities and threats, initiatives by the Company and overall strategy of the Company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

The operational performance and future outlook of the business has been presented by the management based on current resources and future development of the Company.

OVERVIEW:

The Company's line of business comprises of Software and Hardware Electronic Security Solutions.

The Company was founded on September 14, 1989 and had its IPO in November 1995. It is currently listed on Bombay Stock Exchange Ltd.

The Company's line of business encompasses Software and Hardware Electronic Security Solutions. The Company continues to leverage its existing technologies and continues to add several new clients covering different industry segments.

OUTLOOK ON OPPORTUNITIES:

India remains a soft target for various terrorist groups. With the heightened threat perceptions caused by attacks on public areas, both government and private organizations are reviewing and consolidating their security practices. As a result awareness of technology methods and electronic security systems has improved considerably. The Company's growth prospects have improved considerably as a result.

The Company continues to pursue its initiatives targeted at its customary markets. These systems find application in segments like manufacturing, retail and data centres.

Embedded Systems are used in almost every product including automobile, banking, and finance, energy, petrochemicals, etc. The growth in these areas of manufacturing and service provide larger and better opportunities. As IT technologies enter SMEs, datacentric protection and management solutions will be a major market. The Company is well positioned to utilize its diverse expertise in providing end to end solutions. The Company has begun deploying datacentric appliances and services. This is a very nascent industry and the Company foresees tremendous potential and opportunity. Identity management and verification will be a new area of focus, where the company's biometric and connected embedded systems strengths will provide growth opportunities in the IOT and telematics segments. The Company is actively pursuing new avenues to provide opportunities for growth and profitability. The Company perceives the need for additional finance and will be pursuing this accordingly.

OUTLOOK ON THREATS, RISKS AND CONCERNS:

The opening of the Indian market and removal of trade barriers, manufacturing activities are under tremendous pressure from cheaper finished goods imported into the country. This is particularly so in the electronic industry. Due to constant downward pressure on prices and rapid change in technology the Company must keep it's inventories at near zero levels. The Company will need to upgrade it's technology continuously. Further technology and development oriented skills are in acute short supply, with a concomitant rise in manpower costs. Many of the Company's competitors have significantly greater financial resources and low cost Chinese manufacturing bases. The Company must ensure cost effective operations to compete successfully with them. The arrival of major international brands in India has made the market ever more competitive. Important segments of the Company's client base are facing pressure, resulting in several projects being postponed. This has adversely affected revenue of the Company and is a cause for concern if these segments do not revive.

Further the COVID-19 pandemic and the ensuing lockdown has caused major disruptions in operations. The Company's clients and suppliers are adversely affected resulting in skelatal operations. Although the impact of COVID-19 pandemic on the overall economic environment is uncertain, the Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations.

INTERNAL CONTROL SYSTEMS AND ADEQUACY:

The Company has adequate internal control procedures commensurate with its size and nature of the business. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures, and statutes. The internal control system provide for well-documented policies, guidelines, authorizations and approval procedures.

SEGMENT-WISE PERFORMANCE:

The Company operates from a single segment which comprises of Software and Hardware Electronic Security Solutions. During the year, the revenue from operations amounted Rs. 46,052.

FINANCIAL PERFORMANCE:

The income of the Company from the operations for the financial year 2019-2020 was Rs. 46,052 as compared to Rs. 92,354 during the previous year. The company has incurred net loss Rs. (1,20,292) as compared to a net profit Rs. 10,91,873.

PERFORMANCE OF THE BOARD AND COMMITTEES:

During the year under review, the performance of the Board & Committees and Individual Director(s) based on the below parameters was satisfactory:

a) Most of the Directors attended the Board meeting;
b) The remunerations if payable to executive Directors are strictly as per the company and industry policy.
c) The Independent Directors only received sitting fees. However no sitting fees were paid during the year.
d) The Independent Directors contributed in the Board and committee deliberation and business and operation of the company.
e) Risk Management Policy was implemented at all critical levels and monitored by the Internal Auditor, who report to the Board and Audit committee.

HUMAN RESOURCES:

The Company regards its employees as a valuable asset and reviews and evolves policies and processes to provide a sustainable and stable working environment. Salaries and packages are commensurate with that of the industry for personnel of similar calibre and experience.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company or any of its subsidiaries during the year.

For and on behalf of the Board

Sd/-	**Sd/-**
J. T. D'souza	**Punit Neb**
Managing Director	**Whole-time Director**
DIN: 00958844	**DIN: 01026300**

Mumbai, August 25, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of
Sparc Systems Limited
Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS Financial Statements of Sparc Systems Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and Loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Description of each key audit matter in accordance with SA 701.

The Key Audit Matter	How the matter was addressed in our Audit
Loans & Advances, Deposits etc. The value of loans and Advances, Deposits as at 31st March 2020 is significant and there is a high degree of complexity and judgement involved for the company in the estimating individual and collective credit impairment provisions and write-offs against these loans. The Company's impairment provision for receivables from financing business is based on the expected credit loss approach laid down under Ind AS 109. Under this approach, the management has been required to exercise judgement in areas such as; - Calculation of past default rates - Applying macro-economic factors to arrive at forward looking probability of default; and - Significant assumption regarding the probability of various scenarios and discounting rates for different industries considering individual borrower profile. In view of the high degree of estimation involved in the process of calculation impairment provision and considering its significance to the overall Ind AS financial statement, whereby any error or omission in estimation may give rise to a material misstatement of Ind AS financial statements, it is considered as a key audit matter. Refer Note 8 & 11 to the Financial Statements.	Our audit procedure included considering the appropriateness of the company's accounting policies for impairment of financial assets and assessing compliance with Ind AS 109. For loans which are assessed for impairment on a portfolio basis we performed particularly the following procedures: - We understood the methodology and policy laid down for loans given by the company. - We have verified the existence of recovery process plant in the event of default. - We have verified the historical trends of repayment of principal amount of loan and repayment of interest. - We tested the reliability of the key data inputs and related management controls. - We have assessed the assumptions made by the company in making provision considering forward looking information.

Information Other than the Ind AS 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 annual report, but does not include the Ind AS Financial Statements and our auditor's report thereon. Our opinion on the Ind AS 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 financial statements.
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Companies Act, 2013, 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 Ind AS 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 financial statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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 Ind AS 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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
As required by Section 143(3) of the Act, 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), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,

e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 B".

g) With respect to the matter to be included in the Auditors' report under Section 197(16): In our opinion and according to the information and explanation given to us, the Company has not paid remuneration to its directors during the year hence the provisions of and limit laid down under section 197 read with Schedule V of the Act is not applicable.

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, in our opinion and to the best of our information and according to the explanations given to us:

    1) The Company does not have any pending litigations which would impact its financial position as on 31.03.2020.

    2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For R SONI & COMPANY
Chartered Accountants
Firm's Registration No. 130349W

Sd/-
RAJESH SONI
Partner
Membership No. 133240
UDIN: 20133240AAAAKF9282
Place of Signature: Mumbai
Date: 30.06.2020

ANNEXURE A TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Ind AS Financial Statements for the year ended March 31st, 2020, we report that:

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of one year. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) According to explanation given to us, the title deeds/ lease deeds are held in the name of the company.

ii) As explained to us, the inventory has been physically verified by the management of company during the year. In our opinion, the frequency of such verification is reasonable. The Discrepancies noticed on verification were not material and have been dealt with in Books of Accounts.

iii) (a) The Company has not granted loans to any party covered in the register maintained under section 189 of the Companies Act,2013 ('the Act'),

b) No Loans granted to any parties in the register maintained under section 189 of the act, Accordingly, paragraph 3(ii) (b) of the order is not applicable to the company in respect of payment of the principal amount.

c) There are no overdue amounts for period of more than ninety days in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the act.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with provision of section 185 and 186 of Act, with respect to the loan and investment made.

v) The Company has not accepted any deposits during the year within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

vi) The Central Government has not prescribed the maintenance of cost records under section148 (1) of the Act, for any of the services rendered by the Company

vii) a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including provident fund, income tax, service tax, goods and service tax, cess and other material statutory dues with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, value added tax, employees' state insurance and duty of excise.

b) According to the information and explanation given to us, there is no dispute pending in respect of dues of provident fund/sales tax/wealth tax/service tax/custom duty/excise duty/ goods and service tax /cess/value added tax, were in arrears as at 31st March, 2020 for a period of more than six month from the date they became payable.

viii) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x) Based upon the audit procedure performed for purpose of reporting the true and fair view of the Ind AS Financial Statements and According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

xi) No managerial remuneration has been paid / provided, clause is not applicable.

xii) In our opinion and according to the information and explanations given to us, the company is not Nidhi Company. Accordingly paragraph 3(xii) of Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xv) According to the information and explanations given to us and based on our examination of the record of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him.

xvi) According to the information and explanations given to us, the provisions of the section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the company.

For R SONI & COMPANY
Chartered Accountants
Firm's Registration No. 130349W

Sd/-
RAJESH SONI
Partner
Membership No. 133240
UDIN: 20133240AAAAKF9282
Place of Signature: Mumbai
Date: 30.06.2020

ANNEXURE B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls 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 Sparc Systems Limited ('the Company') as of 31st March 2020 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 (the "Guidance Note") 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 Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and 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 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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 Ind AS 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, 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 control over financial reporting issued by the Institute of Chartered Accountant of India.

For R SONI & COMPANY
Chartered Accountants
Firm's Registration No. 130349W

Sd/-
RAJESH SONI
Partner
Membership No. 133240
UDIN: 20133240AAAAKF9282
Place of Signature: Mumbai
Date: 30.06.2020

Balance Sheet As At March 31, 2020

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
A) Non-current assets			
a) Property, Plant and Equipment	2	366,434	1,267,971
b) Assets Held for Sale	2	888,438	-
c) Capital Work in-Progress		-	-
d) Financial Assets		-	-
e) Deferred Tax Assets		210,111	210,111
f) Other Non - current Asset	4	20,100,000	990,000
Total Non -current assets		**21,564,983**	**2,468,082**
B) Current assets			
a) Inventories	5	18,500	14,520
b) Financial Assets		-	-
i) Investment		-	-
ii) Trade receivables	6	-	-
iii) Cash and cash equivalents	7	228,349	472,336
iv) Other Bank Balances		-	-
v) Loan	8	5,405,000	6,000,000
vi) Others Financial Assets	9	24,515	24,515
c) Income Tax Assets (net)	10	45,000	233,564
d) Other current assets	11	7,804,555	26,170,365
Total Current assets		**13,525,918**	**32,915,300**
Total Assets		**35,090,901**	**35,383,382**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	12	49,685,000	49,685,000
b) Other Equity	13	(15,287,704)	(15,167,412)
Total Equity		**34,397,296**	**34,517,588**
LIABILITIES			
A) Non-current liabilities		-	-
a) Financial Liabilities		-	-
b) Provisions		-	-
c) Deferred Tax Liabilities		-	-
d) Other non-current liabilities		-	-
Total Non-current liabilities		-	-
B) Current liabilities			
a) Financial Liabilities			
i) Borrowings	14	169,000	70,000
ii) Trade payables	15	12,352	-
iii) Other financial liabilities	16	512,253	546,109
c) Other Current Liabilities	17	-	249,685
Total Current liabilities		**693,605**	**865,794**
Total Equity and Liabilities		**35,090,901**	**35,383,382**

Significant Accounting Policies and Notes to Accounts 1 to 33

In terms of our report of even date
For R SONI & COMPANY
Chartered Accountants
Firm Reg. No. : 130349W

For and on behalf of the Board

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Rajesh Soni	**J. T. D'souza**	**Punit Neb**	**Deep Shah**
Partner	**Managing Director**	**Whole Time Director & CFO**	**Company Secretary**
Membership No.133240	**DIN 00958844**	**DIN 01026300**	**M. No. 61488**

UDIN:20133240AAAAKF9282
Place : Mumbai
Date: 30.06.2020

Statement of Profit & Loss For the Year Ended March 31, 2020

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Income			
Revenue From Operations	18	46,052	92,354
Other Income and Other Gains/(Losses)	19	839,751	2,292,430
Total Income		**885,803**	**2,384,784**
Expenditure			
Cost of Material Consumed	20	42,390	95,630
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, Stock - in -Trade and work - in – progress		-	-
Employee benefits expenses	21	126,895	277,548
Finance costs		-	-
Depreciation and amortization expenses	22	13,100	137,979
Other expenses	23	823,710	781,754
Total expenses		**1,006,095**	**1,292,912**
Profit before tax		**(120,292)**	**1,091,873**
Tax expense:	24		
(1) Current tax		-	210,111
(2) Deferred tax		-	(210,111)
Total tax expenses		**-**	**-**
Profit for the year		**(120,292)**	**1,091,873**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit Plans (net of tax)		-	-
Items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the Year		-	-
Total Comprehensive Income for the year		(120,292)	1,091,873
Earnings per equity share: (in Rs)			
Equity shares of Par value of Rs. 10 /-each			
Basic	25	(0.02)	0.22
Diluted	25	(0.02)	0.22

Significant Accounting Policies and Notes to Accounts 1 to 33

In terms of our report of even date
For R SONI & COMPANY
Chartered Accountants
Firm Reg. No. : 130349W

For and on behalf of the Board

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Rajesh Soni	**J. T. D'souza**	**Punit Neb**	**Deep Shah**
Partner	**Managing Director**	**Whole Time Director & CFO**	**Company Secretary**
Membership No.133240	**DIN 00958844**	**DIN 01026300**	**M. No. 61488**

UDIN:20133240AAAAKF9282
Place : Mumbai
Date: 30.06.2020

Statement of Cash flows for the year ended March 31, 2020

Particulars	As at 31.03.2020	As at 31.03.2019
Operating activities		
Profit Before Tax	(120,292)	1,091,873
Adjustments to reconcile profit before tax to net cash inflow		
Depreciation and amortization	13,100	137,979
Interest income	(450,000)	(2,285,530)
Sundry Balance written Back	(374,284)	-
	(931,476)	**(1,055,678)**
Working capital adjustments :-		
(Increase) / Decrease in Trade and Other Receivables	-	28,763
(Increase) / Decrease in Inventories	(3,980)	-
(Increase) / Decrease in Loan	595,000	(4,892,000)
(Increase) / Decrease in Other Current Assets	18,740,094	3,264,729
(Increase) / Decrease in Other Non-Current Assets	(19,110,000)	550,000
Increase / (Decrease) in Trade and Other Payables	12,352	(38,403)
Increase / (Decrease) in Other Financial Liabilities	(33,857)	134,106
Increase / (Decrease) in Other Current Liabilities	(249,685)	-
Cash generated from operations	**(981,551)**	**(2,008,484)**
Direct taxes paid (Net off Refund)	188,564	(228,553)
Net cash flow from operating activities	**(792,987)**	**(2,237,037)**
Investing activities		
Purchase of Property, Plant and Equipment	-	(43,548)
Interest received	450,000	2,285,530
Net cash flow used in investing activities	**450,000**	**2,241,982**
Financing activities		
Proceeds from Borrowings (Net)	99,000	70,000
Interest paid	-	-
Net cash flow from financing activities	**99,000**	**70,000**
Increase in cash and cash equivalents	**(243,987)**	**74,945**
Cash and cash equivalents at the beginning of the year	472,336	397,391
Cash and cash equivalents at the end of the year	**228,349**	**472,336**

Particulars	As at 31.03.2020	As at 31.03.2019
Cash in Hand	793	40,573
Bank Balances		
- In Current Accounts	227,556	431,763
	228,349	**472,336**

Significant Accounting Policies and Notes to Accounts 1 to 33

In terms of our report of even date
For R SONI & COMPANY
Chartered Accountants
Firm Reg. No. : 130349W

For and on behalf of the Board

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Rajesh Soni	**J. T. D'souza**	**Punit Neb**	**Deep Shah**
Partner	**Managing Director**	**Whole Time Director & CFO**	**Company Secretary**
Membership No.133240	**DIN 00958844**	**DIN 01026300**	**M. No. 61488**

UDIN:20133240AAAAKF9282
Place : Mumbai
Date: 30.06.2020

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 1

A. CORPORATE INFORMATION:

SPARC SYSTEM LIMITED ('the Company') is in business of Security System. The Company is a public limited company incorporated in India and has its registered office at Mumbai, Maharashtra, India. The Company has its primary listing in BSE Ltd.

B. SIGNIFICANT ACCOUNTING POLICIES:

1 Basis of preparation and presentation

"The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards (""Ind AS"") notified under the Companies (Indian Accounting Standards) Rules, 2015.
The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in as per the guidance set out in Schedule III to the Act. Based on nature of services, the Company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency."

C. USE OF ESTIMATES:

The preparation of the financial statements, in conformity with the Ind AS, requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

(i) **Estimates and assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(ii) **Deferred tax assets:**

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) **Provisions**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash flow can be reliably estimated .The timing of recognition and quantification of the liability require application of judgement to the existing facts and circumstances which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing the facts and circumstances

D. PROPERTY, PLANT AND EQUIPMENT:

(i) **Tangible Assets**

"Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure."

(ii) **Intangible Assets**

Intangible assets includes software which are not integral part of the hardware are stated at cost less accumulated amortisation. Intangible assets under development represents expenditure incurred in respect of software under development and are carried at cost."

"Assets acquired but not ready for use are classified under Capital work-in-progress or intangible assets under development, as the case may be."

E. <u>DEPRECIATION AND AMORTISATION:</u>

The depreciation on Fixed Assets is provided on straight line method, in accordance with the Schedule II to the companies Act, 2013. The depreciation on Assets added during the year has been provided on pro-rata basis with reference to the date on which the assets were put to use. No depreciation has been provided on the fixed assets, which have not been put to use during the year end

F. <u>FINANCIAL INSTRUMENTS:</u>

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.

i) Financial Assets

Initial Recognition

In the case of financial assets not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost (AC)

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

"Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

G. <u>IMPAIRMENT OF FINANCIAL ASSETS:</u>

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL 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.
ECL is the difference between all contractual cash flows that are due to the group 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. 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 impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss."

H. <u>DE-RECOGNITION OF FINANCIAL ASSETS:</u>

"The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received."

b) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

I. <u>FINANCIAL LIABILITIES:</u>

i) Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables 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.

ii) Subsequent Measurement

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

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Financial liabilities at amortised cost

"After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

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."

iii) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. 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 de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

iv) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

J. IMPAIRMENT OF NON-FINANCIAL ASSETS:

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

"Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss."

K. TRADE RECEIVABLES:

A receivable is classified as a ‘trade receivable’ if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

L. **TRADE PAYABLES:**

A payable is classified as a ‘trade payable’ if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

M. EARNINGS PER SHARE:

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

N. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

O. BORROWING COSTS:

"Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur. "

P. REVENUE RECOGNITION:

i) Revenue is recognized when all significant risks and rewards of ownership of the goods are passed on to the buyer and no significant uncertainty exists as to its realization or collection.
ii) Revenue from sale of good is recognized on delivery of the products, when all significant contractual obligation have been satisfied, the property in the goods is transferred for a price, significant risks, reward and no effective control.
iii) Interest Income is recognized on a time proportion basis by reference to the principal outstanding and at the interest rate applicable.

Q. FOREIGN CURRENCY TRANSACTIONS:

a. Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximates the actual rate at the date of the transactions.

b. Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in Non-Integral operations.

R. INVENTORIES :

Inventories are valued at cost or net realizable value whichever is lower. Cost of property under construction held as inventory includes cost of purchases, construction cost, and other cost incurred in bringing the properties to their present location and condition

S. PROVISIONS AND CONTINGENT LIABILITIES AND ASSETS:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects 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. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates. Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent asset is not recognised unless it becomes virtually certain that a flow of economic benefits will arise.

T. EMPLOYEE BENEFITS:

i) Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

ii) Defined Benefit Plan

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is a determined based on valuation, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

iii) Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on an actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

iv) Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. An expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

v) Termination benefits

Termination benefits are recognised as an expense as and when incurred.

U. <u>ACCOUNTING FOR TAXES OF INCOME:</u>

i) Current Taxes

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. 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.

ii) Deferred Taxes

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

"Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

iii) Minimum Alternative Tax

MAT is recognised as deferred Tax Assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised

Note 2 a: Property, Plant & Equipment

Particulars	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Dies and Molds	Computer	Total
Year Ended March 31, 2019							
Gross Carrying Amount							
Opening Gross Carrying Amount	50,850	3,883,654	6,731,071	531,629	967,558	-	12,164,762
Additions	-	-	-	-	-	43,548	43,548
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Closing Gross Carrying Amount	**50,850**	**3,883,654**	**6,731,071**	**531,629**	**967,558**	**43,548**	**12,208,310**
Accumulated Depreciation and Impairment							
Opening Accumulated Depreciation	-	2,917,382	6,417,558	505,048	962,371	-	10,802,360
Depreciation charge during the year		128,684	-	-	-	9,295	137,979
Disposals	-	-	-	-	-	-	-
Closing Accumulated Depreciation and Impairment	**-**	**3,046,066**	**6,417,558**	**505,048**	**962,371**	**9,295**	**10,940,339**
Net Carrying Amount	**50,850**	**837,588**	**313,513**	**26,581**	**5,187**	**34,253**	**1,267,971**
Year Ended March 31, 2020							
Gross Carrying Amount							
Opening Gross Carrying Amount	50,850	3,883,654	6,731,071	531,629	967,558	43,548	12,208,310
Additions	-	-	-	-	-		-
Disposals	-	-	-	-	-	-	-
Transfers/Reclassified	(50,850)	(3,883,654)	-	-	-	-	(3,934,504)
Closing Gross Carrying Amount	**-**	**-**	**6,731,071**	**531,629**	**967,558**	**43,548**	**8,273,806**
Accumulated Depreciation and Impairment							
Opening Accumulated Depreciation	-	3,046,066	6,417,558	505,048	962,371	9,295	10,940,339
Depreciation charge during the year			-	-	-	13,100	13,100
Disposals	-	-	-	-	-	-	-
Transfers/Reclassified	**-**	**(3,046,066)**					**(3,046,066)**
Closing Accumulated Depreciation and Impairment	**-**	**0**	**6,417,558**	**505,048**	**962,371**	**22,395**	**7,907,373**
Net Carrying Amount	**-**	**0**	**313,513**	**26,581**	**5,187**	**21,153**	**366,434**

Note 2b: Property, Plant & Equipment Held For Sale

Particulars	Land	Buildings
Year Ended March 31, 2020		
Gross Carrying Amount		
Opening Gross Carrying Amount	-	-
Additions(Net Carrying Amount)	50,850	837,588
Disposals	-	-
Transfers/Reclassified	-	-
Closing Gross Carrying Amount	**50,850**	**837,588**
Accumulated Depreciation and Impairment		
Opening Accumulated Depreciation	-	-
Depreciation charge during the year	-	-
Disposals	**-**	**-**
Transfers/Reclassified	**-**	
Closing Accumulated Depreciation and Impairment	**-**	**-**
Net Carrying Amount	**50,850**	**837,588**

Notes forming part to the Financial Statement for the Year ended March 31, 2020

Note 3: Deferred Tax Assets (Net)	As at March 31, 2020	As at March 31, 2019
MAT Credit	210,111	210,111
Total Deferred Tax Assets	**210,111**	**210,111**

Note: Due to uncertainty of future income deferred tax asset on losses are not recognized.

Note 4: Other Non-Current Assets	As at March 31, 2020	As at March 31, 2019
Capital Advances	20,100,000	990,000
Total	**20,100,000**	**990,000**

Note 5: Inventories	As at March 31, 2020	As at March 31, 2019
Raw materials and consumable items	18,500	14,520
Total	**18,500**	**14,520**

Note 6: Trade Receivables	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	-	-
Total Receivables	**-**	**-**
Current Portion	-	-
Non - Current Portion	-	-

Note 7: Cash & Cash Equivalents	As at March 31, 2020	As at March 31, 2019
Balance with Banks - Current Accounts	227,556	431,763
Cash on Hand	793	40,573
Total Cash & Cash Equivalents	**228,349**	**472,336**

Note 8: Loan	As at March 31, 2020	As at March 31, 2019
Unsecured considered good-		
Loan to others	5,405,000	6,000,000
Total	**5,405,000**	**6,000,000**

Note 9: Other Current Financial Assets	As at March 31, 2020	As at March 31, 2019
Deposits	24,515	24,515
Total	**24,515**	**24,515**

Note 10: Income Tax Assets (Net)	As at March 31, 2020	As at March 31, 2019
Advance Tax & TDS (Net of Provisions)	45,000	233,564
Total	**45,000**	**233,564**

Note 11: Other Current Assets	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Deposit /Loan/Advances recoverable in cash or kind	7,722,544	26,170,365
Balance with Authorities	82,011	-
Total	**7,804,555**	**26,170,365**

Note 12: Equity Share Capital	As at March 31, 2020	As at March 31, 2019
Authorised		
60,000,000 Equity Shares of Rs 10 each	60,000,000	60,000,000
Total	**60,000,000**	**60,000,000**
Issued & Subscribed		
50,40,000 Equity Shares of Rs 10/- each fully paid up	50,400,000	50,400,000
	50,400,000	**50,400,000**
Paid Up		
4889000 (4889000) Equity Shares of Rs. 10/- each	48,890,000	48,890,000
Add: Forfeited Equity Shares	795,000	795,000
Total	**49,685,000**	**49,685,000**

a) Terms / 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 share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	Equity Shares As on March 31, 2020	
	Number	Rs
Shares outstanding at the beginning of the year	4,889,000	48,890,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	**4,889,000**	**48,890,000**

c) Details of Shareholders holding more than 5% shares in the company:

Name of the Shareholders	Equity Shares As on March 31, 2020		As on March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Epson Finance & Inv Pvt Ltd	719,600	14.72%	719,600	14.72%
Khem Sum Apparels Overseas Ltd	289,665	5.92%	289,665	5.92%
Vora Constructions Limited	379,649	7.77%	352,573	7.21%
Jude Terrence D'Souza	449,400	9.19%	449,400	9.19%

Note 13: Other Equity	As at March 31, 2020	As at March 31, 2019
Retained Earnings	(15,287,704)	(15,167,412)
Closing Balance	**(15,287,704)**	**(15,167,412)**
i) Retained Earnings		
Balance as at the beginning of the year	(15,167,412)	(16,259,285)
Add- Profit for the current year	(120,292)	1,091,873
Net surplus in the statement of profit and loss account	**(15,287,704)**	**(15,167,412)**

Nature and Purpose of Reserves:
Retained Earnings

Retained Earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders

Note 14: Borrowing	As at March 31, 2020	As at March 31, 2019
Unsecured	-	-
-Inter Corporate Loan	50,000	-
-Loan from Directors	119,000	70,000
	169,000	**70,000**

Note 15: Trade Payables	As at March 31, 2020	As at March 31, 2019
Due to Micro, Small & Medium enterprises (refer note no. 29)	-	-
Others	12,352	-
Total	**12,352**	**-**

Note 16: Other Financial Liabilities (Current)	As at March 31, 2020	As at March 31, 2019
Statutory Dues	77,500	2,500
Creditors for Expenses	434,753	543,609
Other Liabilities	-	-
Total	**512,253**	**546,109**

Note 17: Other Current Liabilities	As at March 31, 2020	As at March 31, 2019
Advance from Customers	-	249,685
Total	**-**	**249,685**

Note 18: Revenue from Operations	As at March 31, 2020	As at March 31, 2019
Manufacturing Turnover-Electronic Equipment's	46,052	92,354
Total Revenue from Operations	**46,052**	**92,354**

Note 19: Other Income and Other Gains/(Losses)	As at March 31, 2020	As at March 31, 2019
Interest Income on Deposits/Advances/ Loan	450,000	2,285,530
Interest on Income Tax Refund	15,438	-
Liabilities no longer required written back	374,284	-
Misc. Income	29	6,900
	839,751	**2,292,430**

Note 20 : Cost of Material Consumed	As at March 31, 2020	As at March 31, 2019
Opening Stock - Raw Material	14,520	14,520
Add : Purchase of Electronic Equipment's	46,370	95,630
Closing Stock - Raw Material	18,500	14,520
	42,390	**95,630**

Note 21: Employee Benefit Expense	As at March 31, 2020	As at March 31, 2019
Salary & Stipend	114623	86,164
Directors remuneration	-	180,000
Staff welfare	6542	5,654
Workman Insurance Expenses	5730	5,730
Total	**126,895**	**277,548**

Note 22: Depreciation and amortization expenses	As at March 31, 2020	As at March 31, 2019
Depreciation on Property, Plant and Equipment	13,100	137,979
Total Depreciation and amortization expenses	**13,100**	**137,979**

Note 23: Other Expenses	As at March 31, 2020	As at March 31, 2019
Advertisement	38,020	22,080
Auditors Remuneration-		

Statutory Audit Fees	30,000	30,000
Bank Charges	732	1,829
Courier & Postage Charges	61,847	81,573
Electricity Charges	12,413	10,470
Listing & Custodian fees	319,620	341,772
Office Expenses	21,812	7,854
Printing And Stationary	22,421	51,740
Professional Fees	128,000	56,000
Rates & Taxes	2,500	113,720
Repairs & Maintenance	-	997
ROC Charges	5,000	5,000
Telephone Expenses	43,200	50,196
Travelling & Conveyance	9,524	8,524
Penalty	128,620	-
	823,710	**781,754**

Details of Payment to Auditors	Year Ended March 31, 2020	Year Ended March 31, 2019
For Statutory Audit Fees	30,000	30,000
Total Payment to Auditors	**30,000**	**30,000**

Note 24: Tax Expense

(a) Amounts recognized in Statement of Profit and Loss	2019-20	2018-19
Current tax expense (A)		
Current year	-	210,111
	-	-
Deferred tax expense (B)	-	210,111
Brought forward Loss *	-	-
MAT	-	(210,111)
Tax expense recognized in the income statement (A+B)	-	-

"*In the absence of convincing evidence, the Company has not recognised deferred tax assets (DTA) on timing differences arising on the above mentioned items."

(b) Amounts recognized in other comprehensive income

	Year Ended March 31, 2020			Year Ended March 31, 2019		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	-	-	-	-	-	-
	-	-	-	-	-	-

(c) Reconciliation of effective tax rate	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit before tax	**(120,292)**	**1,091,873**
Company's domestic tax rate	**26%**	**26%**
Tax using the Company's domestic tax rate	(31,276)	283,887
Tax effect of :		
Tax effect on non-deductible expenses	28,982	12,161
Tax On Carried forward losses adjusted	2,293	(296,048)
Tax on book profit	-	210,111
Tax expense as per Statement of Profit & Loss	-	**210,111**
Effective tax rate	-	19.24

Note 25: Earning Per Share	Year Ended March 31, 2020	Year Ended March 31, 2019
Weighted average number of shares outstanding during the period	4,889,000	4,889,000
Weighted average number of Potential Equity shares outstanding during the year	4,889,000	4,889,000
Total number of Potential Equity Share for calculating Diluted Earning Per share	4,889,000	4,889,000
Net Profit \ (Loss) after tax available for equity shareholders	(120,292)	1,091,873
Basic Earning per share (in Rs.)	(0.02)	0.22
Diluted Earnings per share (in Rs.)	(0.02)	0.22

Note 26: Disclosure regarding Related Party

Disclosures on Related party transactions

i) Nature and Relationship of Related Parties

a) Associates / Enterprises over which directors and / Or their relatives has significant influence
b) Directors, Key Management Personnel & Relatives of KMP
   Managing Director - J. T .D'Souza
   Whole Time Director - Punit Neb

ii) Transactions with Related Parties during the year Relationship

Particulars	Nature of Transaction	March 31, 2020	March 31, 2019
b) Directors and Key Management Personnel			
J. T .D'Souza	Remuneration	-	180,000
Punit Neb	Loan taken	-	70,000
J. T .D'Souza	Loan taken	49,000	-
J. T .D'Souza	Reimbursement of expenses	29,748	13,090
Punit Neb	Reimbursement of expenses	3,833	99,806

iii) Closing Outstanding Balances of Related Parties

Particulars	Nature	March 31, 2020	March 31, 2019
J. T .D'Souza	Remuneration Payable	218,031	218,031
Punit Neb	Remuneration Payable	7,500	7,500
J. T .D'Souza	Unsecured Loan	49,000	-
Punit Neb	Unsecured Loan	70,000	70,000
Punit Neb	Payable (Reimbursement of expenses)	83,189	87,022

Note 1: Related Parties as disclosed by Management and relied upon by auditors.

Note 27: Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31st March 2020	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI – designated as such	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Other Financial Assets	-	-	24,515	24,515	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	228,349	228,349	-	-	-	-
	-	**-**	**252,864**	**252,864**	**-**	**-**	**-**	**-**
Financial liabilities								
Borrowing	-	-	169,000	169,000	-	-	-	-
Trade Payables	-	-	12,352	-	-	-	-	-
Other Financial Liabilities	-	-	512,253	512,253	-	-	-	-
	-	**-**	**693,605**	**693,605**	**-**	**-**	**-**	**-**

31st March 2019	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Other Financial Assets	-	-	24,515	24,515	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	472,336	472,336	-	-	-	-
	-	-	**496,851**	**496,851**	-	-	-	-
Financial liabilities								
Borrowing	-	-	70,000	70,000	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	546,109	546,109	-	-	-	-
	-	-	**616,109**	**616,109**	-	-	-	-

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The Fair Value of the Financial Assets & Liabilities are 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.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Mutual Funds	The fair values of investments in Mutual fund units is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors	Not applicable	Not applicable
Non-current financial assets and liabilities measured at amortized cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable

C. Financial Risk Management

C. i. Risk management framework

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk, credit risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the company's operational and financial performance.

C. ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(a) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an on-going basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i. Actual or expected significant adverse changes in business
ii. Actual or expected significant changes in the operating results of the counterparty
iii. Financial or economic conditions that are expected to cause a significant change to the counterparties ability to meet its obligation
iv. Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

Financial assets are written off when there is a no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. When loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due, When recoverable are made, these are recognised as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Accounts receivables: **(Amount in Rs.)**

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
0 - 6 months	-	-
Beyond 6 months	-	-
Total	**-**	**-**

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

(b) Cash and cash equivalents and Other Bank Balances

The Company held cash and cash equivalents and other bank balances of Rs. 2,28,349 at 31st March 2020 (31st March 2019: Rs. 4,72,336). The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing. Also, Company invests its short term surplus funds in bank fixed deposit, which carry no / low mark to market risks for short duration therefore does not expose the Company to credit risk.

C. iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Company through effective fund management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

C. iv. 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. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

C. iv.a Currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Our exposures are mainly denominated in U.S. dollars. The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

C. iv.b 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 changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

Note 28: Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. Management monitors the return on capital as well as the debt equity ratio and make necessary adjustments in the capital structure for the development of the business. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day - to - day needs. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's debt to equity ratio at 31st March, 2020 was 0.49% (31st March 2019: 0.20%)

Note: For the purpose of computing debt to equity ratio, equity includes Equity share capital and Other Equity and Debt includes Long term borrowings, Short term borrowings and current maturities of long term borrowings.

Note 29: Contingent Liability - NIL

Note 30:

"There is no availability of information about the amount dues to small/micro undertaking, we are unable to comment that the interest if any is due to such undertaking or not."

Note 31:

As certified by the Management there is no obligation in respect of gratuity and leave encashment during the year.

Note 32:

Balances are relied upon as per books of accounts wherever the confirmations from debtors /creditors /Loans /Advances are not available.

Note 33:

Previous year figures have been regrouped and rearranged wherever necessary to confirm with the current year presentation.

In terms of our report of even date
For R SONI & COMPANY
Chartered Accountants
FRN. 130349W

Sd/-
Rajesh Soni
Partner
Mem. No. 133240
UDIN:20133240AAAAKF9282
Place: Mumbai
Date: 30.06.2020

For and on behalf of the Board of Directors
SPARC SYSTEMS LTD

Sd/-	**Sd/-**	**Sd/-**
J.T. D'Souza	**Punit Neb**	**Deep Shah**
Chairman & M.D.	**WTD & CFO**	**Company Secretary**
DIN-00958844	**DIN-01026300**	**Mem No. 61488**

Place: Mumbai
Date: 30.06.2020