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: 29th September, 2021

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 32nd 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. 2020-21 of the Company by its members at 32nd Annual General Meeting held on today on Tuesday, 28th September, 2021 commenced at 03:00 p.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

SPARC SYSTEMS LTD. ★ MUMBAI ★

Punit Neb
(Director)
DIN: 01026300

Encl: a/a

SPARC SYSTEMS LIMITED

32ND ANNUAL REPORT
2020-2021

BOARD OF DIRECTORS

NAME	DESIGNATION
Mr. J.T. D'souza	Managing Director & Chairman
Ms. Punit Neb	Non-Executive Director
Mr. Ravi Kumar Channappa	Independent Director
Mr Niraj Hareshbhai Variava	Independent Director
Ms. Kajal Jain	Independent Director
Ms. Kajal Sampat	Chief Financial Officer
Ms. Pallavi Pravin Lakdawala	Company Secretary & Compliance Officer

BANKERS

Union Bank of India

STATUTORY AUDITIORS

M/s. Motilal & Associates.
Charted Accountants,
Mumbai

INTERNAL AUDITIORS

M/s. SSP Jain & Co.
Charted Accountants,
Mumbai

REGISTAR & TRANSFER AGENT

Universal Capital Securities Pvt Ltd
C-101, 247 Park, 1st Floor, LBS Road, Gandhi Nagar,
Vikhroli (West), Mumbai – 400 083.
Tel: +91 (22) 2820 7203-05 / 4918 6178-79
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, India
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 32ND ANNUAL GENERAL MEETING OF THE MEMBERS OF SPARC SYSTEMS LIMITED WILL BE HELD ON TUESDAY 28TH SEPTEMBER, 2021 AT 03.00 P.M. THROUGH VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESSES

1. To receive consider and adopt the Annual Standalone Financial Statements consisting of the Balance Sheet as at March 31, 2021, 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 **Mr. Jude Terrence D'souza (DIN: 00958844)** who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible offers himself for re-appointment.

SPECIAL BUSINESSES

3. To confirm the appointment of Mr. Niraj Hareshbhai Variava (DIN: 09197068) 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. Niraj Hareshbhai Variava (DIN: 09197068), 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 8th June, 2021 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 7th June, 2026."

For and on behalf of the Board

Sd/-
J. T. D'souza
Managing Director
DIN: 00958844
Mumbai, August 26, 2021

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 COVID-19 pandemic and pursuant to the Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, respectively, and all other relevant circulars issued from time to time by the Ministry of Corporate Affairs ("the MCA Circulars") read with the SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (the SEBI Circulars), relaxation has been granted for physical attendance of the Members to the AGM and allowed companies to hold General Meetings through Video-Conferencing ("VC") or Other Audio-Visual Means ("OAVM"). In terms of the same, The AGM will be held without the physical presence of the Members at a common venue and Members can attend and participate in the AGM through VC/OAVM.

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

4. Corporate Members intending to have their representatives attend the Meeting pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature of the representative(s) authorized to attend and vote on their behalf at the Meeting.

5. The additional details of Directors retiring by rotation/ seeking appointment/re-appointment, pursuant to Regulation 36(3) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") and the Secretarial Standards issued by the Institute of Company Secretaries of India, is annexed as Annexure I and forms part of this Notice.

6. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 22, 2021 to Tuesday, September 28, 2021 (both days inclusive).

7. 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 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with 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 AGM will be provided by CDSL.

8. The Members can join the 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 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 AGM without restriction on account of first come first served basis.

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

10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM 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 Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

11. The SEBI has mandated submission of Permanent Account Number ("PAN") by every participant in securities market. Accordingly, Members holding shares in electronic form are requested to submit their PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN to the Company/ Registrar and Share Transfer Agent.

12. Members holding shares in electronic form are required to contact their Depository Participants to register/change their nomination. Members holding shares in physical form are advised to register Nomination in respect of their Shareholding in the Company. Nomination Form (SH–13) is available on the website of the Company at www.sparcsys.com or they may Registrar and Share Transfer Agent, for any assistance in this regard.

13. As per Regulation 40 of the SEBI Listing Regulations, as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company/Registrar and Share Transfer Agent, for any assistance in this regard.

14. Members seeking any information or clarifications on the Annual Report are requested to send their queries to the Company on punitneb@gmail.com in at least 7 days prior to the Meeting to enable the Company to compile the information and provide replies at the Meeting.

15. In case all the joint holders are attending the Meeting, the Member whose name appears as first holder in the order of names as per Register of Members of the Company will be entitled to vote at the Meeting.

16. In line with the MCA Circulars and the SEBI Circulars, Annual Report for the financial year 2020-21 along with the Notice of 32nd Annual General Meeting inter alia indicating the process and manner of e-voting, will be sent through electronic mode to the Members whose email addresses are available with the Company/ Depositories/Depository Participants. The Members whose e-mail addresses are not registered with the Company are requested the same.

17. Speaker Registration/Questions for the Meeting: Members, who would like to express their views/have questions are requested to send registrations along with the questions in advance mentioning their name, demat account number/folio number; email id, mobile number at punitneb@gmail.com, from Monday, September 13, 2021 to Monday 20, 2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting. The Company reserves the right to restrict the number of questions/speakers depending on the availability of time for the Meeting.

18. The facility for remote e-voting shall be provided at the Meeting. Members attending the Meeting who have not cast their vote earlier by remote e-voting shall be entitled to vote at the Meeting. A Member can participate in the Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Meeting

19. The remote e-voting facility will be available during the following voting period :
Commencement of remote E-voting: From 09.00 a.m. (IST) on Saturday, September 25, 2021
End of remote e-voting: Upto 05.00 p.m. (IST) on Monday, September 27, 2021

20. Mr. Pankaj Trivedi, Practicing Company Secretary (Certificate of Practice No. 15301) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner

21. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Tuesday, 21st September, 2021 ("Cut-off date") only shall be entitled to avail the facility of remote e-voting or voting at the Meeting, as the case may be, in proportion to the shares held by them as on the Cut-off date.

22. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at www.evotingindia.com. However, if he/she is already registered user for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

23. The facility of voting will be provided at the Meeting for the Members attending the Meeting and who have not cast their vote earlier by remote e-voting.

24. Once the Member has confirmed his voting on the resolution, he will not be allowed to modify his vote or cast the vote again.

25. The Scrutinizer shall, after the conclusion of voting at the Meeting, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting and shall submit, not later than forty-eight hours of the conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any other person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

26. The Results shall be declared by the Chairman or any other person authorized by him in writing within forty-eight hours from the conclusion of the Meeting. The results declared shall alongwith the consolidated Report of the Scrutinizer be placed on the website of the Company i.e. www.sparcsys.com and on the website of CDSL at www.evotingindia.com immediately after the declaration of results. The results shall simultaneously be forwarded to the BSE Limited, Mumbai.

27. Instructions for e-voting and attending the Annual General Meeting is annexed and forms part of this Notice.

28. Considering the Meeting would be held through VC/ OAVM, the route Map for the venue is not annexed to the Notice. The deemed venue for the AGM shall be the Registered Office of the Company.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) The voting period begins on 25.09.2021 and ends on 27.09.2021 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21.09.2021 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that participation by the public non-institutional shareholders/retail shareholders is at negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ website of Depositories/Depository Participant.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting facility.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual	1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id

Shareholders holding securities in Demat mode with CDSL	and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer/Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

(v) Login method for e-voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The Shareholders should log on to the e-voting website www.evotingindia.com
2) Click on "Shareholders" module.

3) 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.
4) Next enter the Image verification as displayed and Click on Login.
5) 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.
6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) i. 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. i. 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.

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

(vii) 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.

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

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

(x) 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.

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

(xii) 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.

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

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

(xv) 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.

(xvi) **Additional Facility for Non- Individual Shareholders and Custodians- For Remote Voting only.**

- 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; punitneb@gmail.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-voting will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. 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.

7. 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.

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

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.

10. 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.

PROCESS FOR THOSE SHAREHOLDERS WHO'S EMAIL ADDRESSES IS 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.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

   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.

For and on behalf of the Board

Sd/-
J. T. D'souza
Managing Director
DIN: 00958844
Mumbai, August 26, 2021

ANNEXURE TO THE NOTICE

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

ITEM NO.3

TO CONFIRM THE APPOINTMENT OF MR. NIRAJ HARESHBHAI VARIAVA (DIN: 09197068) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

Mr. Niraj Hareshbhai Variava, is Commerce graduate and also a qualified Member of The Institute of Chartered Accountants of India and possess around 15 years of experiences of working in the field of Accountancy, Auditing, VAT, GST and Domestic and International Taxation, appearance before judicial authorities. He also done some certified programmes on Information System Audit (ISA), conducted by Instituted of Chartered Accountant of India and Programme for Internal & Concurrent Audit of Depository Participants for Central Depository Services (India) Limited conducted by Bombay Stock Exchange. He do carry a good amount of knowledge and expertise over an Indian Companies Laws, Income Tax Laws, SEBI Laws and other few Laws of Land and having regards to his qualification, expertise and experience he suits the requirement of the Company.

Further Mr. Niraj Variava also holds a Certificate of clearing exams conducted by Indian Institute of Corporate Affairs and as confirmed he is been not disqualified under and rule of act for being appointed as a Directors and he also confirmed that he meets all criterions specified under Section 149 and Schedule IV of the Companies Act, 2013 and under Regulation 16(1)(b) and 17 of the LODR Regulation, 2015 for his appointment as an Independent Director of the Company.

The Company has received a Notice from a Member in writing under Section 160 of the Companies Act, 2013 proposing candidature of Mr. Niraj Variava for the office of the Director of the Company. The Board of Directors at its meeting held on June 08, 2021, 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. Niraj Variava 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 08, 2021 till June 07, 2026.

The details of Mr. Niraj Variava 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.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Niraj Variava, is in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 3 of the Notice.

The resolution as set out in item no. 3 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 26, 2021

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	Mr. Jude Terrence D'souza	Mr. Niraj Hareshbhai Variava
Date of Birth	26-12-1967	14/11/1985
Academic Qualifications	Radio Officer	Member of ICAI
Experience and Expertise	He possess around 30 years of experiences Techno-Commercial & Business Development.	He possess around 15 years of experiences of working in the field of Accountancy, Auditing, VAT, GST and Domestic and International Taxation, appearance before judicial authorities. He do carry a good amount of knowledge and expertise over an Indian Companies Laws, Income Tax Laws, SEBI Laws and other few Laws of Land.
Date of first appointment on Board	14-09-1989	08-06-2021
Directorship in other companies	Epson Finance and Investment Pvt Ltd	NIL
No. of Membership(s)/ Chairmanship(s) of Board Committees in other companies	NIL	NIL
No. of Shares held in the Company	4,49400	Nil
DIN	00958844	09197068
Relation with other Directors or Key Managerial Personnel	Spouse of Ms. Punit Neb	None
Number of Board Meeting attended during the financial year	5	Not applicable
Remuneration and other terms & conditions of appointment/ re-appointment	He 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 2020-21	Nil	Nil

DIRECTOR'S REPORT

To,
The Members
Sparc Systems Limited

The Directors present the 32nd Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2021.

FINANCIAL RESULTS:

Summary of the Company's financial performance for F.Y. 2020-2021 as compared with the previous financial year is given below:

Particulars	F.Y. 2020-21	F.Y. 2019-20
Revenue from Operation	-	46,052
Revenue from other Income	4,90,520	8,39,751
Total Revenue	**4,90,520**	**8,85,803**
Profit before Dep. & Int.	(2,00,65,598)	(1,07192)
Depreciation	14,135	13,100
Interest	-	-
Profit after Depreciation & Interest and before Tax	(2,00,79,733)	(1,20,292)
Provision for Taxation	-	-
Provision for Tax (deferred)	(53,444)	-
Provision for Taxation for earlier year	-	-
Profit/Loss after Tax	(2,00,26,289)	(1,20,292)

The Company's line of business involves Software and Hardware Electronic Security Solutions i.e. office automation tools.

The year 2020 was disrupted by pandemic-related sharp declines in growth across industries. The Company has reported a gross income of Rs. 4.90 lakhs for the current year as compared to Rs. 8.85 lakhs in the previous year. The gross incomes are generated basically from interest income from the loans and advances made by the Company. There was no income from main business activity of the Company.

The Company has incurred a net loss amounting Rs. 200.26 lakhs in the current year as compared to a loss of Rs. 1.20 lakhs in the previous year. The main reason behind incurring such huge loss as compare to previous year is mainly due to provision created for Bad advance of Rs.195.55 lakhs which has been advanced by the Company to Manorma Textiles ("Seller") towards purchase of Industrial Land and Factory Premises at Plot No.36, S.No. 35(pt), Village - Aliyali, Taluka – Palghar out of total consideration amount of Rs. 510.00 lakhs and as per the terms and condition of as MOU (Memorandum of Understanding) executed between Company and M/s. Manorama Textiles the Company. The Company in light of the current market scenario and hardship caused by Novel Corona Virus the Company could not generate and mobilise its funds and seller had exercised their right to forfeit money so paid as an advance upon inability of Company to pay the balance money to the seller.

Since the Company's Management is presently in the process of transition and new management is entering the Board pursuant to open offer announced. The new Management is an optimistic about the future performance of the Company.

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.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company during the year.

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, 2021. There were no unclaimed or unpaid deposits as on March 31, 2021.

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.

MEETING OF INDEPENDENT DIRECTORS:

The meeting of Independent Directors was held on 29th March 2021

NUMBER OF MEETINGS OF THE BOARD:

The Board met 6 (Six) times during the financial year on 27.06.2020, 30.06.2020, 25.08.2020, 15.09.2020, 12.11.2020 and 13.02.2021. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:

The Company does not have subsidiary, Join Venture & Associate Companies as on March 31, 2021.

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

There were no such Companies which have become or ceased subsidiaries, Joint Ventures or Associate Companies during the year.

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, 2021, 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 was a Whole Time Director and Chief Financial Officer, Mr. Ravi Kumar Channappa and Ms. Kajal Jain are the Independent Directors on the Board. The Board also met the requirement of Woman Director as prescribed under Listing Regulations, 2015.

Pursuant to the provisions of section 152 of the Companies Act, 2013, Mr. J.T. D'souza retires by rotation and being eligible, offers himself for re-appointment.

Ms. Punit Neb had stepped down from the designation of Whole Time Director and Chief Financial Officer W.e.f. May 31st, 2021 and she is being now serving Company as Non-Executive Non Independent Director.

The Board appointed Ms. Kajal Sampat as Chief Financial Officer of the Company w.e.f. 08.06.2021.

Upon the recommendation of Nomination and Remuneration Committee, the Board appointed Mr. Niraj Variava (DIN – 09197068), as an Independent Director (Additional Director) subject to approval of members at the ensuing Annual General Meeting.

In terms of Section 161 of the Companies Act, 2013 Mr. Niraj Variava 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. Niraj Variava (DIN - 09197068), Director of the Company.

The Board has recommended the appointment of Mr. Niraj Variava (DIN – 09197068) as an Independent Directors of the Company for a period of five consecutive years up to the 37th consecutive Annual General Meeting of the Company, not liable to retire by rotation.

Ms. Kajal Jain, Mr. Ravikumar Byrapatna Channappa and Mr Niraj Variava are the 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. Deep Shah, Company Secretary had resigned from his post w.e.f. 14th July, 2021 and Board appointed Ms. Pallavi Lakdawala as a Company Secretary cum Compliance officer of the Company w.e.f. 23rd July, 2021.

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, 2021 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	2
4	Mr. Ravi Kumar Channappa	Independent Director	1	-	2	-

Note: * Resigned from the Post of CFO and designation was changes from Whole Time Director to Non-Executive Director w.e.f. 31.05.2021.

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, 2021 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, 2021 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, Mr. Ravikumar Byrapatna Channappa and Mr Niraj H. Variava 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.

In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.
The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold the highest standards of integrity.

The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended.

Details of Familiarisation Programme for the Independent Directors are provided separately in the Corporate Governance Report.

STATUTORY AUDITOR:

M/s Motilal & Associates (FRN 106584W), Chartered Accountants, have been appointed by the members as the Statutory Auditors of the Company for a period of five years in 31st AGM to hold office the conclusion of 36th AGM without seeking any ratification from members. As per the requirement of the Act, M/s Motilal & Associates, Chartered Accountants, have confirmed that the appointment is 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. The Ministry of Corporate Affairs vide notification dated May 7, 2018, taken away the requirement of seeking ratification of appointment of statutory auditors by members at each AGM. Accordingly, no such item will be form a part of notice of the 32nd AGM, and Company has received

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 Statutory Auditors in their report.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, M/s. Pankaj Trivedi & Co., Practicing Company Secretary (CP. No.: 15301), Mumbai, has been appointed to conduct a Secretarial Audit of the Company's secretarial and related records for the year ended March 31, 2021. The practicing Company Secretary has submitted his report on the Secretarial Audit conducted by him 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 his report for the year 2020-21. 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.

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.

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**.

OPEN OFFER:

Open Offer was made by Mrs. Shobha Anant Hegde, M/s. Electrex International Pvt Ltd and M/s. Electrex Power Tools Pvt Ltd (hereinafter collectively referred to as "Acquirers") to the shareholders of Sparc Systems Limited (Sparc) to Acquire from them upto

12,71,140 Equity Shares of Rs.10/- each representing 26% of the equity and voting Share Capital of Sparc At Rs.4/- per fully paid-up Equity share and the Acquirers have entered into a Share Purchase Agreement dated May 31 , 2021, with the present Promoters of the Target Company for acquisition of 7,23,083 Equity Shares constituting 14.79% of the total equity and voting share capital of the Target Company and Public Announcement on behalf of the Acquirers was made on 31st May, 2021 by M/s. CapitalSquare Advisors Private Limited ("Manager to the Offer") for and on behalf of the Acquirers to the equity shareholders of the Target Company under Regulation 3 (1) and 4 read with Regulation 15(1) of the Securities And Exchange Board Of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

The newspaper publication was made on 5th June, 2021 in Financial Express (English Daily – All India Edition) and Jansatta (Hindi Daily – All India Edition) and Mumbai Lakshadweep (Marathi Daily – Mumbai Edition) pertaining to Detailed Public Statement and Draft Letter of Offer was sent to Board (SEBI) for perusal and approval on 10th June, 2021 with tentative schedule of activities relating to the Offer and other necessary details and disclosures.

The Final Letter of Offer was dispatched to the public shareholders whose name appears on the register of members on the Identified Date i.e. July 15, 2021 on or before 23rd July, 2021 and the Final Letter of Offer was dispatched to the Board on July 16, 2021 for perusal and final approval from the Board.

The Committee of the Independent Directors of the Company was held on July 27, 2021; the committee reviewed the Offer Price and recommended to the Public Shareholders of the Target Company for this Offer at Rs.4/- i.e. justified / fair and reasonable price identified in terms of Regulation 8(2) Securities And Exchange Board Of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and in connection with the same the newspaper publication was made on July 28, 2021.

The Manager to the Offer has made newspaper publication on behalf of Acquirers on July 29, 2021 towards Pre-offer Advertisement cum corrigendum to the Detailed Public Statement in conjunction with the Public Announcement made on May 31, 2021 and Detailed Public Statement dated June 4th, 2021, published on June 5th, 2021.

The offer tendering period was kept open during July 30, 2021 to August 12, 2021 with the final date of August 30, 2021 towards completion of payment consideration for tendered shares.

The Post Offer Pubic Announcement ("Post Offer PA") was made by the Manager to the offer M/s. CapitalSquare Advisors Private Limited on behalf of Acquirers, in connection with an Open Offer made in Compliance with the provisions of Regulation 18(12) and other applicable provisions under SEBI (SAST) Regulations, 2011 on 17th August, 2021.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the investments made.

Details of the Loans, Investments and Guarantee covered under the provisions of Section 186 of the Companies Act, 2013 (Act), has been given under notes forming parts of the Accounts and same will be produced for verification to the members at the registered office of the Company on their request.

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.

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.

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 2021-2022. The Company has executed a New Listing Agreement with the Bombay Stock Exchange pursuant to SEBI (LODR) Regulation 2015.

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 2020-2021, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-2021 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 2020-2021	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 Neb * (Whole-time Director and CFO)	-	Nil	Nil
3	Ms. Kajal Jain (Independent Director)	-	Nil	Nil
4	Mr. Ravi Kumar Channappa (Independent Director)	-	Nil	Nil
5	Mr. Deep Shah $ (Cs & Compliance Officer)	1,50,000	Nil	1

Note: * Resigned from the Post of CFO and designation was changes from WTD to Non-Executive Director w.e.f. 31.05.2021 | $ resigned w.e.f. 14.07.2021

- 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 2020-21 was Rs. 1.50 Lacs.
- In the financial year 2020-21, there was an increase of NIL% in the median remuneration of employees.
- As on March 31, 2021, there were no permanent employees who were on the roll of the Company, except KMPs and Directors.
- Relationship between average increase in remuneration and Company performance.
- The total remuneration did not increase during 2020-21; whereas net loss incurred of Rs. 200.26 lakhs in the current year as compared to a loss of Rs. 1.20 lakhs in the previous year
- 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 2020-21; whereas Profit/loss After Tax was Rs. (200.26) lakhs as compared to a loss of Rs.(1.20) lakhs in 2019-20.

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.

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, 2021.

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	5	5	5
Mr. Ravikumar Channappa	5	5	5
Ms. Punit Neb	5	5	5

Ms. Kajal Jain is the Chairman of the committee.

Meetings:

Total (5) Five 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: 30.06.2020, 25.08.2020, 15.09.2020, 12.11.2020 and 13.02.2021. 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. Ravikumar Channappa #	1	-	-

Note: @ resigned w.e.f. closing of business hours of 27.06.2020 | # Appointed w.e.f. 27.06.2020

Ms. Kajal Jain, Independent Director is the Chairman of this Committee.

Meetings:

Total (1) one meeting was held during the year on 27.06.2020. 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 (Till 14th July, 2021)
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
Ms. Punit Neb	4	4	4
Mr. Ravikumar Channappa	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: 30.06.2020, 25.08.2020, 12.11.2020 and 13.02.2021. 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 2020-2021, 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 2020-2021.

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. 11,800/- under Regulation 13(3) and Rs.21,240/- under Regulation 31 for delay in submission and same has been paid by the Company.

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
2019-2020	31st AGM	Through Video Conferencing/Other Audio Visual Means	27th Sept,2020 at 11.00 a.m
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.

GENERAL INFORMATION FOR MEMBERS

A. 32nd Annual General Meeting

Day & Date	Time	Venue
Tuesday, 28th September, 2021	03.00 p.m.	(Video- Conferencing Mode)

B. Financial Calendar (2021-2022)

Particulars	Period
Financial Year	April 1, 2021 to March 31, 2022
For consideration of Unaudited/Audited Financial Results	
Results for quarter ending June 30, 2021	On or before August 14, 2021
Results for quarter ending September 30, 2021	On or before November 14, 2021
Results for quarter ending December 31, 2021	On or before February 14, 2022
Results for quarter ending March 31, 2022	On or before May 30, 2022
AGM for the year ending March 31, 2022	On or before September 30, 2022

C. Book Closure Date

The Company's Share Transfer Books and Register of Members of equity shares shall remain closed from the 22.09.2021 to 28.09.2021. (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. 2021-22 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, 2021 are as follows:

Mode	No. of Shares	% Shares
Physical Form	9,94,300	20.34%
With NSDL	31,93,517	65.32%
With CDSL	7,01,183	14.34%
Total	**48,89,000**	**100%**

I. Market Price Data:

The monthly 'high' and 'low' closing prices of the shares traded during **April 2020 to March 2021** on BSE are given below:

Month	High Price	Low Price	Close Price	No. of Shares
Apr-20	4.38	3.82	4.18	523
May-20	4.59	4.38	4.59	17
Jun-20	5.03	4.31	4.91	5657
Jul-20	5.12	4.65	4.85	1199
Aug-20	4.65	3.44	3.44	12019
Sep-20	3.78	2.95	2.95	15236
Oct-20	2.95	2.54	2.54	7550
Nov-20	3.06	2.42	3.06	1724
Dec-20	4.07	3.14	3.14	15384
Jan-21	3.88	3.00	3.88	7590
Feb-21	4.40	3.05	3.05	13594
Mar-21	4.12	2.82	4.12	303608

J. Shareholding Pattern Of The Company As On 31st March, 2021

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		
1. 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%**
2. Other Cl. Member	0	0.00%
a) Private Corporate Bodies	7,20,947	14.75%
b) Indian Public	26,33,537	53.87%
c) NRI's	2,45,700	05.03%
d) OCB's	0	0.00%
e) Clearing Members	1764	0.03%
f) HUF	48,352	0.98%
Sub-Total	**36,50,300**	**74.66%**
Grand Total	**48,89,000**	**100.00%**

K. Distribution of shareholding as on 31st March, 2021

No. of Shares held	No. of Shareholders	% to total Shareholders	In Rs.	% to total Shares
Up to 500	1438	62.25	3896100	7.97
501 – 1000	588	25.45	5359330	10.96
1001-2000	152	6.58	24,37,940	4.99
2001-3000	38	1.64	10,04,820	2.05
3001-4000	11	0.48	3,94,120	0.08
4001-5000	20	0.86	9,55,150	1.954
5001-10000	19	0.82	14,42,770	2.95
10,000 and above	44	1.90	3,33,99,770	68.32
TOTAL	**2310**	**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	**Director**
DIN: 00958844	**DIN: 01026300**
Mumbai, August 26, 2021	

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 governance practices by M/s. Sparc Systems Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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, 2021, 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, 2021 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; to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(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 (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 to the extent of securities issued. (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);

The Management has identified and confirmed the following laws as being specifically applicable to the Company:

i. The Equal Remuneration Act, 1976;
ii. Maharashtra state Tax on Professions, Trades, Callings and Employments Act 1975;

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 made delay of 12 days in submission of an Investor Grievance Report, under Regulation 13(3) of SEBI (LODR) Regulations, 2015 to the exchange for the quarter ended 31.03.2020.

2. The Company has made delay of 11 days in submission of a Report of Non-Applicability of Corporate Governance, under Regulation 27(2) of SEBI (LODR) Regulations, 2015 to the exchange for the quarter ended 31.03.2020.

3. The Company has made delay of 11 days in submission of a Shareholding Pattern, under Regulation 31 of SEBI (LODR) Regulations, 2015 to the exchange for the quarter ended 31.03.2020.

4. According to Regulation 31(4) of SEBI (SAST), Regulations, 2011; the company needs to submit Declaration of non-encumbrance of shares on promoters holding as on year end on or before 01st June, 2020. However the same has been submitted on July 1, 2020.

5. The Company has paid the Listing fees for F.Y. 2020-21 after the due date and Annexure-III was not submitted to the exchange.

6. The Company has paid penalty of total Rs.33,040/- levied by the Exchange for delay in submission of an Investor Grievance Report, under Regulation 13(3) of SEBI (LODR) Regulations, 2015 for the quarter ended 31.03.2020 of Rs.11,800/- AND a penalty of Rs.21,240/- for delay in submission of a Shareholding Pattern, under Regulation 31 of SEBI (LODR) Regulations, 2015 to the exchange for the quarter ended 31.03.2020.

I further Inform/report that during the year under review, the following events or actions had a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

It was observed that the Board has provided for the provisions for doubtful/bad advances of Rs.1.95 crores paid as an advance to Manorma Textiles ("Seller") out of total consideration amount of Rs. 5,10,00,000/- (Rupees Five Crore Ten Lakhs only) towards purchase of Industrial Land and Factory Premises at Plot No.36, S.No. 35(pt), Village - Aliyali, Taluka – Palghar. As explained by the Management as per terms and condition of as MOU (Memorandum of Understanding) executed between Company and M/s. Manorama Textiles, the Seller holds the right to forfeiture the advance amount paid by the Company in case of default in balance payment or non-performance of any terms and condition of as MOU. It was further explained that Seller had sent few reminder cum advice letter for balance payment and performance of duty but having regards current market scenario and hardship caused by Novel Corona Virus the Company could not generate and mobilise its funds and ultimately the management has decided to provide for the provisions for doubtful/bad advances of Rs.1.95 crores in the Books of accounts for the year.

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.

Notes:

1. 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.
2. Due to restricted movement amid COVID-19 pandemic, we conducted the Secretarial Audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws/ regulations/ guidelines listed in our report of which, the due date has been ended/ expired on or before March 31, 2021 pertaining to Financial Year 2020-21.

For Pankaj Trivedi & Co.,
Company Secretary in Practice

Sd/-
Pankaj Trivedi
(Proprietor)
CP No. 15301
Place: Mumbai
Dated: 26th August, 2021

ANNEXURE-A TO THE SECRETARIAL AUDIT REPORT

To
The Member,
M/s. 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) Wherever 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 Pankaj Trivedi & Co.,
Company Secretary in Practice

Sd/-
Pankaj Trivedi
(Proprietor)
CP No. 15301
Place: Mumbai
Dated: 26th August, 2021

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, 2021.

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	**Director**
DIN: 00958844	**DIN: 01026300**
Mumbai, August 26, 2021	

ANNEXURE-III

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2021
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	0.00%

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 31/03/2021				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 Group									
(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 / Banks	0	0	0	0.00	0	0	0	0.00	0.00

- 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	1010549	1300	1011849	20.70	719647	1300	720947	14.75	(5.95)
- Overseas Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individual									
- Capital upto to Rs. 1 lac	620693	647050	1267743	25.93	613933	646050.00	1259983	25.77	(0.16)
- Capital greater than Rs. 1 lac	969106	97850	1066956	21.82	1275704	97850	1373554	28.09	6.27
(c) Any others (Specify)									
- Hindu Undivided Family	52052	0	52052	1.06	48352	0.00	48352	0.99	(0.07)
- Trusts	0	0	0	0.00	0	0	0	0.00	0.00
- Clearing member	0.00	0	0.00	0.00	1764.00	0.00	1764	0.04	0.04
- NRI (Repat)	43000	208700	251700	5.15	37000	208700	245700	5.03	(0.12)
- 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	2695400	954900	3650300	74.66	2696400	953900	3650300	74.66	**0.00**
Total Public Shareholding (B1+B2) :	**2695400**	**995300**	**3690700**	**75.49**	**2696400**	**994300**	**3690700**	**75.49**	**0.00**
(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	**3893700**	**995300**	**4889000**	**100**	**3894700**	**994300**	**4889000**	**100**	**0.00**

ii. Shareholding of Promoters & Promoter Group

SL No	Shareholder's Name	Shareholding at beginning of the year 31/03/2020			Shareholding at the end of the year 31/03/2021			% 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	Epson Finance & Investment Pvt Ltd	719600	14.72	0.00	719600	14.72	0.00	0.00
	TOTAL	**1198300**	**24.51**	**0.00**	**1198300**	**24.51**	**0.00**	**0.00**

iii. Change in Promoters' Shareholding as on the F.Y. Ended on 31-03-2021

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the Beginning 31.03.2020	% total Shares of the Co.				No. of Shares at the end 31.03.2021	% total Shares of the Co.
1	Jude Terrence D'souza	449400	9.19	-	-	-	449400	9.19
2	Punit Manmohan Sing Neb	29300	0.60	-	-	-	29300	0.60
3	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 01/04/2020		Cumulative Shareholding during the year 31/03/2021		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**	2,89,171	5.91%	2,89,665	5.92%	Sold
	Shares Bought during the year	-	-	2,89,665	5.92%	
	Shares Sold During the year - 26.03.2021	2,89,171	5.91%	-	-	
	Closing balance	-	-	-	-	
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**	82,000	1.68%	18,100	0.37%	N.A.
	Shares Bought during the year	82,000	1.68%	82,000	1.68%	
	Shares Sold During the	-	-	82,000	1.68%	
	Closing balance	82,000	1.68%	82,000	1.68%	
11	**Prakash Shah**	-	-	-	-	Bought
	Shares Bought during the year – 26.03.2021	282886	5.79%	282886	5.79%	
	Shares Sold During the year	-	-	282886	5.79%	
	Closing balance	282886	5.79%	282886	5.79%	

v. Shareholding Pattern of Directors and Key Managerial Personnel as on 31.03.2021

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2020		Cumulative Shareholding during the year 31/03/2021	
		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	Mr. Deep Shah # (CS & Compliance Officer)	-	-	-	-

Note: * Resigned from the Post of CFO and designation was changes from WTD to Non-Executive Director w.e.f. 31.05.2021 | $ Resigned w.e.f. 27.06.2020; *Appointed w.e.f.27.06.2020; # Resigned w.e.f. 14.07.2021

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	-	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**
Change in Indebtedness during the financial year				
Additions	-	5,29,175	-	**5,29,175**
Reduction	-	-	-	-
Net Change	**-**	**5,29,175**	**-**	**5,29,175**
Indebtedness at the end of the financial year				
i) Principal Amount	-	6,98,175	-	**6,98,175**
ii) Interest due but not paid	-	-	-	**-**
iii) Interest accrued but not due	-	-	-	**-**
Total (I+II+III)	**-**	**6,98,175**	**-**	**6,98,175**

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	Ms. Kajal Jain	Mr. Ravikumar Channappa	Total Amount
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)	Mr. Deep Shah (CS)	Total Amount
1	Gross salary	**-**	**1,80,000**	**1,80,000**
a	Salary as per provisions contained in section 17(1) of the I.T. Act, 1961	**-**	**1,80,000**	**1,80,000**

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	-	**1,80,000**	**1,80,000**

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/-
J. T. D'souza
Managing Director
DIN: 00958844
Mumbai, August 26, 2021

Sd/-
Punit Neb
Director
DIN: 01026300

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/-
J. T. D'souza
Managing Director
DIN: 00958844
Mumbai, August 26, 2021

Sd/-
Punit Neb
Director
DIN: 01026300

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, 2021 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	06595061	Ravikumar Byrapatna Channappa	27/06/2020

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: 26.08.2021

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.

COMPANY OVERVIEW AND PERFORMANCE:

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.

The Company's Management is presently in the process of transition and new management is entering the Board pursuant to open offer announced. The new Management is an optimistic about the future performance of the Company.

Short summary of the Company's financial performance for F.Y. 2020-2021 as compared with the previous financial year is given below:

Particulars	F.Y. 2020-21	F.Y. 2019-20
Revenue from Operation	-	46,052
Revenue from other Income	4,90,520	8,39,751
Total Revenue	**4,90,520**	**8,85,803**
Profit before Dep. & Int.	(2,00,65,598)	(1,07192)
Depreciation	14,135	13,100
Interest	-	-
Profit after Depreciation & Interest and before Tax	(2,00,79,733)	(1,20,292)
Provision for Taxation	-	-
Provision for Tax (deferred)	(53,444)	-
Provision for Taxation for earlier year	-	-
Profit/Loss after Tax	(2,00,26,289)	(1,20,292)

The Company has incurred a net loss amounting Rs. 200.26 lakhs in the current year as compared to a loss of Rs. 1.20 lakhs in the previous year. The main reason behind incurring such huge loss as compare to previous year is mainly due to provision created for Bad advance of Rs.195.55 lakhs which has been advanced by the Company to Manorma Textiles ("Seller") towards purchase of Industrial Land and Factory Premises at Plot No.36, S.No. 35(pt), Village - Aliyali, Taluka – Palghar out of total consideration amount of Rs. 510.00 lakhs and as per the terms and condition of as MOU (Memorandum of Understanding) executed between Company and M/s. Manorama Textiles the Company. The Company in light of the current market scenario and hardship caused by Novel Corona Virus the Company could not generate and mobilise its funds and seller had exercised their right to forfeit money so paid as an advance upon inability of Company to pay the balance money to the seller.

OPEN OFFER:

Open Offer was made by Mrs. Shobha Anant Hegde, M/s. Electrex International Pvt Ltd and M/s. Electrex Power Tools Pvt Ltd (hereinafter collectively referred to as "Acquirers") to the shareholders of Sparc Systems Limited (Sparc) to Acquire from them upto 12,71,140 Equity Shares of Rs.10/- each representing 26% of the equity and voting Share Capital of Sparc At Rs.4/- per fully paid-up Equity share and the Acquirers have entered into a Share Purchase Agreement dated May 31 , 2021, with the present Promoters of the Target Company for acquisition of 7,23,083 Equity Shares constituting 14.79% of the total equity and voting share capital of the Target Company and Public Announcement on behalf of the Acquirers was made on 31st May, 2021 by M/s. CapitalSquare Advisors Private Limited ("Manager to the Offer") for and on behalf of the Acquirers to the equity shareholders of the Target Company under Regulation 3 (1) and 4 read with Regulation 15(1) of the Securities And Exchange Board Of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

The newspaper publication was made on 5th June, 2021 in Financial Express (English Daily – All India Edition) and Jansatta (Hindi Daily – All India Edition) and Mumbai Lakshadweep (Marathi Daily – Mumbai Edition) pertaining to Detailed Public Statement and Draft Letter of Offer was sent to Board (SEBI) for perusal and approval on 10th June, 2021 with tentative schedule of activities relating to the Offer and other necessary details and disclosures.

The Final Letter of Offer was dispatched to the public shareholders whose name appears on the register of members on the Identified Date i.e. July 15, 2021 on or before 23rd July, 2021 and the Final Letter of Offer was dispatched to the Board on July 16, 2021 for perusal and final approval from the Board.

The Committee of the Independent Directors of the Company was held on July 27, 2021; the committee reviewed the Offer Price and recommended to the Public Shareholders of the Target Company for this Offer at Rs.4/- i.e. justified / fair and reasonable price identified in terms of Regulation 8(2) Securities And Exchange Board Of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and in connection with the same the newspaper publication was made on July 28, 2021.

The Manager to the Offer has made newspaper publication on behalf of Acquirers on July 29, 2021 towards Pre-offer Advertisement cum corrigendum to the Detailed Public Statement in conjunction with the Public Announcement made on May 31, 2021 and Detailed Public Statement dated June 4th, 2021, published on June 5th, 2021.

The offer tendering period was kept open during July 30, 2021 to August 12, 2021 with the final date of August 30, 2021 towards completion of payment consideration for tendered shares.

The Post Offer Pubic Announcement ("Post Offer PA") was made by the Manager to the offer M/s. CapitalSquare Advisors Private Limited on behalf of Acquirers, in connection with an Open Offer made in Compliance with the provisions of Regulation 18(12) and other applicable provisions under SEBI (SAST) Regulations, 2011 on 17th August, 2021.

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 its 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 skeletal 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 in single segment which comprises of Software and Hardware Electronic Security Solutions. During the year, the revenue from operations amounted Rs. Nil.

FINANCIAL PERFORMANCE:

The income of the Company from the operations for the financial year 2020-2021 was Rs. Nil as compared to Rs. 46,052 during the previous year. The company has incurred net loss Rs. (200.26 lakhs) as compared to a net profit Rs. (1.20 lakhs).

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	**Director**
DIN: 00958844	**DIN: 01026300**
Mumbai, August 26, 2021	

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of **SPARC SYSTEMS LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2021, 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 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, 2021, and profit/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 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 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.

Other Matter

The financial statements for the year ended 31st March 2020 and prior periods were reviewed and audited by the predecessor auditing firm whose opinion dated 30th June 2020 on those statements held them as being fairly presented. We have relied upon Audit Reports of the preceding Auditor for all such previous periods. Our Conclusion is not modified with respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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
Provision for Capital Advances amounting Rs. 1.95 Cr bring us a potential expectation of gap and brings higher risk and matter which are material to picture presented by the financial statement hence, a significant amount of provision for bad Advance affects the revenue. The amount of provision being significant, the same has been considered by us as a key audit matter. • Whether the seller agrees with the Company for the said write-off. • Reason for write off and what measure taken by company	This Capital Advances represent the more significant matters arising during the audit or those which have involved the greatest amount of attention on the part of the auditor. These key audit matters have high informational value because they relate specifically to the entity being audited. - For Provision of write-off of Capital Advance has addressed this by scrutiny of ledger as well as communications in between parties, produced by Management of the Company and relied upon by us. • We have verified that Memorandum of Understanding is made and entered where the seller has agreed to assign and transfer the title and interest in respect of land & factory. • In this matter the letter requesting waive off was verified by us, and advance amount was forfeited due to non-compliance of condition related with the payment of the purchase consideration towards purchase of property on or before July 31, 2020 as specified in the memorandum of understanding. Our audit procedure included considering the appropriateness of the company's accounting policies for impairment of financial assets and assessing compliance.

Auditor's Response

Our audit procedures included understanding and evaluating processes and controls designed and implemented by the management for assessment of said transaction and testing their operating effectiveness; obtaining the list of documents and communications, inspecting the supporting evidence and critically assessing management's evaluation through discussions with management on the said transaction.

In light of the above, we did not identify any material exceptions as a result of above procedures.

Responsibilities of Management and Those Charged with Governance 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 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 statements 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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.

Report on Other Legal and Regulatory Requirements

1. 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 **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

   (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 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:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Motilal & Associates
Chartered Accountants
(Firm's Registration No.: 106584W)
UDIN: 21179547AAAABL5327

Sd/-
Rishabh Jain
Partner
Membership No. 179547
Place: Mumbai
Date: 24th May 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **SPARC SYSTEMS LIMITED** even date)

(i) In respect of the Company's fixed assets:

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

   b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification that, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   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 explanation given to us, the Company has not advanced any loan to a company in which the director is interested to which, the provisions of section 185 of the Companies Act,2013 apply.

In our opinion and according to the information and explanation given to us, the Company has not made investment and given guarantee/provided security which falls under the purview of section 186 of the Companies Act, 2013 and hence not commented upon.

(v) According to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31st March, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

(vi) As per the information and explanation given to us, the maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company and hence not commented upon.

(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, 2021 for a period of more than six month from the date they became payable.

(viii) According to the information and explanations given to us, The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.

(ix) According to the information and explanations given to us, the Company has notarised 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 to the Company and hence, not commented upon.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Consequently, provisions of clause 3(xii) of the Order are not applicable to the Company and hence, not commented upon.

(xiii) In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the detailsof related party transactions have been disclosed in the Financial Statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting under clause 3 (xiv) are not applicable to the Company and hence, not commented upon.

(xv) According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Motilal & Associates
Chartered Accountants
(Firm's Registration No.: 106584W)

Sd/-
Rishabh Jain
Partner
Membership No. 179547
Place: Mumbai
Date: 24th May 2021

ANNEXURE"B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements section of our report to the members of SPARC SYSTEMS LIMITED of even date)

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 March 31, 2021 in conjunction with our audit of the standalone 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Motilal & Associates
Chartered Accountants
(Firm's Registration No.: 106584W)

Sd/-
Rishabh Jain
Partner
Membership No. 179547
Place: Mumbai
Date: 24th May 2021

SPARC SYSTEMS LIMITED
Accompanying notes to the financial statements for the Year ended March 31, 2021
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

"These financial statements have been prepared in accordance with Indian Accounting standards (hereinafter referred to as the 'Ind AS') notified by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Act.

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss for the year ended 31 March 2021, the Statement of Cash Flows for the year ended 31 March 2021 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

These Financial Statements were approved by the Board of Directors and authorised for issue on, 24th May 2021.

The financial statements have been prepared on an accrual system, based on the principle of going concern and under the historical cost convention, unless otherwise stated.

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest rupee, unless otherwise stated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use."

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 not recognize Deferred tax asset since it is not probable that taxable profit will be available in future against which the deductible temporary difference can be utilised."

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's 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. DEPRECIATION AND AMORTISATION:

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. FINANCIAL INSTRUMENTS

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

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. IMPAIRMENT OF FINANCIAL ASSETS:

"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. DE-RECOGNITION OF FINANCIAL ASSETS

"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."

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. FINANCIAL LIABILITIES

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 FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. 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 transaction is 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 rates approximate 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, and 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 are determined based on valuations, 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 is 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. Expenses on non-accumulating compensated absences are recognised in the period in which the absences occur.

v) Termination benefits

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

U. ACCOUNTING FOR TAXES OF INCOME:-

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

SPARC SYSTEMS LIMITED

Balance Sheet As At March 31, 2021

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
A) Non-current assets			
a) Property, Plant and Equipment	2	352,299	366,434
b) Capital Work in-Progress		-	-
c) Financial Assets		-	-
d) Deferred Tax Assets	3	263,555	210,111
e) Other Non - current Asset	4	600,000	20,100,000
Total Non -current assets		**1,215,854**	**20,676,545**
B) Current assets			
a) Inventories	5	44,709	18,500
b) Financial Assets		-	-
i) Investment		-	-
ii) Trade receivables		-	-
iii) Cash and cash equivalents	6	73,424	228,349
iv) Other Bank Balances		-	-
v) Loan	7	5,743,020	5,405,000
vi) Others Financial Assets	8	24,515	24,515
c) Current Tax Assets (net)	9	35,921	45,000
d) Other current assets	10	7,860,271	7,804,555
Total Current assets		**13,781,859**	**13,525,918**
Non-Current Assets Classified as Held for Sale	2(a)	888,438	888,438
Total Assets		**15,886,151**	**35,090,901**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	11	49,685,000	49,685,000
b) Other Equity	12	(35,313,993)	(15,287,704)
Total Equity		**14,371,007**	**34,397,296**
LIABILITIES			
A) Non-current liabilities		-	-
a) Financial Liabilities		-	-
b) Provisions		-	-
c) Deferred Tax Liabilities	3	-	-
d) Other non-current liabilities		-	-
Total Non-current liabilities		-	-
B) Current liabilities			
a) Financial Liabilities			
i) Borrowings	13	698,175	169,000
ii) Trade payables	14	-	12,352
iii) Other financial liabilities	15	724,505	512,253
c) Other Current Liabilities	16	92,464	-
Total Current liabilities		**1,515,144**	**693,605**
Total Equity and Liabilities		**15,886,151**	**35,090,901**

Significant Accounting Policies and Notes to Accounts 1 to 32

In terms of our report of even date
For Motilal & Associates
Chartered Accountants
(Firm's Registration No.: 106584W)

For and on behalf of the Board of Directors
Sparc Systems Ltd

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Rishabh Jain **Partner** **Membership No. 179547**	**J. T. D'souza** **Managing Director** **DIN 00958844**	**Punit Neb** **Whole Time Director & CFO** **DIN 01026300**	**Deep Shah** **Company Secretary** **M. No. 61488**

UDIN: 21179547AAAABL5327
Place : Mumbai
Date: 24.05.2021

SPARC SYSTEMS LIMITED

Statement of Profit & Loss For the Year Ended March 31, 2021

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
CONTINUING OPERATIONS			
Income			
Revenue From Operations	17	-	46,052
Other Income and Other Gains/(Losses)	18	490,520	839,751
Total Income		**490,520**	**885,803**
Expenditure			
Cost of Material Consumed	19	-	42,390
Purchases of stock-in-trade	-	-	-
Changes in inventories of finished goods, Stock - in -Trade and WIP		-	-
Employee benefits expenses	20	180,000	126,895
Finance costs		-	-
Depreciation and amortization expenses	21	14,135	13,100
Other expenses	22	20,376,118	823,710
Total expenses		**20,570,253**	**1,006,095**
Profit / (Loss) before exceptional items and tax		**(20,079,733)**	**(120,292)**
Exceptional Items		-	-
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax	3	(53,444)	-
Total tax expenses		**(53,444)**	**-**
Profit / (Loss) for the year after tax		**(120,292)**	**(120,292)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the Year		-	-
Total Comprehensive Income for the year		**(20,026,289)**	**(120,292)**
Earnings per equity share: (in Rs)			
Equity shares of Par value of Rs. 10 /-each			
Basic	23	(4.10)	(0.02)
Diluted	23	(4.10)	(0.02)

Significant Accounting Policies and Notes to Accounts 1 to 32

In terms of our report of even date
For Motilal & Associates
Chartered Accountants
(Firm's Registration No.: 106584W)

For and on behalf of the Board of Directors
Sparc Systems Ltd

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Rishabh Jain **Partner** **Membership No. 179547**	**J. T. D'souza** **Managing Director** **DIN 00958844**	**Punit Neb** **Whole Time Director & CFO** **DIN 01026300**	**Deep Shah** **Company Secretary** **M. No. 61488**

UDIN: 21179547AAAABL5327
Place : Mumbai
Date: 24.05.2021

SPARC SYSTEMS LIMITED

Statement of Cash flows for the year ended March 31, 2021

Particulars	As at 31.03.2021	As at 31.03.2020
Operating activities		
Profit Before Tax	(20,079,733)	(120,292)
Adjustments to reconcile profit before tax to net cash inflow		
Depreciation and amortization	14,135	13,100
Interest income	(478,941)	(450,000)
Sundry Balance written Back	(8,864)	(374,284)
	(20,553,403)	**(931,476)**
Working capital adjustments :-		
(Increase) / Decrease in Trade and Other Receivables	-	-
(Increase) / Decrease in Inventories	(26,209)	(3,980)
(Increase) / Decrease in Loan	(338,020)	595,000
(Increase) / Decrease in Other Current Assets	(55,716)	18,740,094
(Increase) / Decrease in Other Non-Current Assets	19,500,000	(19,110,000)
Increase / (Decrease) in Trade and Other Payables	(12,352)	12,352
Increase / (Decrease) in Other Financial Liabilities	212,253	(33,857)
Increase / (Decrease) in Other Current Liabilities	101,328	(249,685)
Increase / (Decrease) in Current Tax Asset	9,079	-
Cash generated from operations	**(1,163,040)**	**(981,551)**
Direct taxes paid (Net off Refund)	-	188,564
Net cash flow from operating activities	**(1,163,040)**	**(792,987)**
Investing activities		
Purchase of Property, Plant and Equipment	-	-
Interest received	478,941	450,000
Net cash flow used in investing activities	**478,941**	**2,241,982**
Financing activities		
Proceeds from Borrowings (Net)	529,175	99,000
Interest paid	-	-
Net cash flow from financing activities	**529,175**	**99,000**
Increase in cash and cash equivalents	**(154,925)**	**(243,987)**
Cash and cash equivalents at the beginning of the year	228,349	472,336
Cash and cash equivalents at the end of the year	**73,424**	**228,349**

Particulars	As at 31.03.2021	As at 31.03.2020
Cash in Hand	10,085	793
Bank Balances		
- In Current Accounts	63,339	227,556
	73,424	**228,349**

In terms of our report of even date
For Motilal & Associates
Chartered Accountants
(Firm's Registration No.: 106584W)

For and on behalf of the Board of Directors
Sparc Systems Ltd

Sd/-
Rishabh Jain
Partner
Membership No. 179547

Sd/-
J. T. D'souza
Managing Director
DIN 00958844

Sd/-
Punit Neb
Whole Time Director & CFO
DIN 01026300

Sd/-
Deep Shah
Company Secretary
M. No. 61488

UDIN: 21179547AAAABL5327
Place : Mumbai
Date: 24.05.2021

Note 2 a: Property, Plant & Equipment

Particulars	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Dies and Molds	Computer	Total
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	(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		128,684	-	-	-	13,100	13,100
Disposals	-	-	-	-	-	-	-
Transfers/Reclassified	-	(3,046,066)	-	-	-	-	(3,046,066)
Closing Accumulated Depreciation and Impairment	**-**	**-**	**6,417,558**	**505,048**	**962,371**	**22,395**	**7,907,373**
Net Carrying Amount	**-**	**-**	**313,513**	**26,581**	**5,187**	**21,153**	**366,434**
Year Ended March 31, 2021							
Gross Carrying Amount							
Opening Gross Carrying Amount	-	-	6,731,071	531,629	967,558	43,548	8,273,806
Additions	-	-	-	-	-		-
Disposals	-	-	-	-	-	-	-
Transfers/Reclassified	-	-	-	-	-	-	-
Closing Gross Carrying Amount	**-**	**-**	**6,731,071**	**531,629**	**967,558**	**43,548**	**8,273,806**
Accumulated Depreciation and Impairment							
Opening Accumulated Depreciation	-	-	6,417,558	505,048	962,371	22,395	7,907,373
Depreciation charge during the year			-	-	-	14,135	14,135
Disposals	-	-	-	-	-	-	-
Transfers/Reclassified	-	-	-	-	-	-	-
Closing Accumulated Depreciation and Impairment	**-**	**-**	**6,417,558**	**505,048**	**962,371**	**36,530**	**7,921,508**
Net Carrying Amount	**-**	**-**	**313,513**	**26,581**	**5,187**	**7,018**	**352,299**

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

Particulars Year Ended March 31, 2021	Land	Buildings
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**

On 14th February' 2020 the Directors of Company decided to dispose of two properties in different locations. Both properties were actively marketed by the Directors and sales are expected before the end of March 2022. Further, the management on its judgement and for the purpose of adequate disclosure has not provided for Depreciation on Building from the time the said asset was classified under held for sale

Notes forming part to the Financial Statement for the Year ended March 31, 2021

Note 3: Deferred Tax Assets (Net)	As at March 31, 2021	As at March 31, 2020
MAT Credit Entitlement	210,111	210,111
Timing Difference due to differences in WDV of fixed assets	(205,553)	
Deferred Tax Asset(on above differences)	53,444	
Total Deferred Tax Assets	**263,555**	**210,111**

Note 4: Other Non-Current Assets	As at March 31, 2021	As at March 31, 2020
Capital Advances	20,100,000	20,100,000
Provision for Foreseeable Losses	(19,500,000)	-
Total	**600,000**	**20,100,000**

(The Company has created a Provision for the above said amount of Rs. 1,95,00,000/- as against the Advances provided by the Company which as per the Management Judgement and Estimates may turn out to be bad)

Note 5: Inventories	As at March 31, 2021	As at March 31, 2020
Raw materials and consumable items	44,709	18,500
Total	**44,709**	**18,500**

Note 6: Cash & Cash Equivalents	As at March 31, 2021	As at March 31, 2020
Balance with Banks - Current Accounts	63,339	227,556
Cash on Hand	10,085	793
Total Cash & Cash Equivalents	**73,424**	**228,349**

Note 7: Loan	As at March 31, 2021	As at March 31, 2020
Unsecured considered good-		
Loan to other body Corporate	5,743,020	5,405,000
Total	**5,743,020**	**5,405,000**

Note 8: Other Current Financial Assets	As at March 31, 2021	As at March 31, 2020
Deposits	24,515	24,515
Total	**24,515**	**24,515**

Note 9: Current Tax Assets (Net)	As at March 31, 2021	As at March 31, 2020
Advance Tax & TDS (Net of Provisions)	35,921	45,000
Total	**35,921**	**45,000**

Note 10: Other Current Assets	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Advances given	7,730,655	7,722,544
Provision for Foreseeable Losses	(55,000)	-
Balance with Government Authorities	182,916	82,011
Advances to Creditors	1,700	-
Total	7,860,271	**7,804,555**

Note 11: Equity Share Capital	As at March 31, 2021	As at March 31, 2020
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, 2021		Equity Shares As on March 31, 2020	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	4,889,000	4,889,000	48,890,000	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**	**4,889,000**	**48,890,000**	**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, 2021		Equity Shares As on March 31, 2020	
	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%	379,649	7.77%
Jude Terrence D'Souza	449,400	9.19%	449,400	9.19%

Note 12: Other Equity	As at March 31, 2021	As at March 31, 2020
Retained Earnings	(35,313,993)	(15,287,704)
Closing Balance	**(35,313,993)**	**(15,287,704)**
i) Retained Earnings		
Balance as at the beginning of the year	(15,287,704)	(15,167,412)
Add- Profit for the current year	(20,026,289)	(120,292)
Net surplus in the statement of profit and loss account	**(35,313,993)**	**(15,287,704)**

Nature and Purpose of Reserves:
Retained Earnings

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

Note 13: Borrowing	As at March 31, 2021	As at March 31, 2020
Unsecured	-	-
-Inter Corporate Loan	564,250	50,000
-Loan from Directors	133,925	119,000
	698,175	**169,000**

Note 14: Trade Payables	As at March 31, 2021	As at March 31, 2020
Due to Micro, Small & Medium enterprises (refer note no. 29)	-	-
Others	-	12,352
Total	**-**	**12,352**

Note 15: Other Financial Liabilities (Current)	As at March 31, 2021	As at March 31, 2020
Statutory Dues	23,075	77,500
Creditors for Expenses	701,430	434,753
Other Liabilities	-	-
Total	**724,505**	**512,253**

Note 16: Other Current Liabilities	As at March 31, 2021	As at March 31, 2020
Advance from Customers	92,464	-
Total	**92,464**	**-**

Note 17: Revenue from Operations	As at March 31, 2021	As at March 31, 2020
Manufacturing Turnover-Electronic Equipment's	-	46,052
Total Revenue from Operations	**-**	**46,052**

Note 18: Other Income and Other Gains/(Losses)	As at March 31, 2021	As at March 31, 2020
Interest Income on Deposits/Advances/ Loan	478,941	450,000
Interest on Income Tax Refund	2,700	15,438
Liabilities no longer required written back	8,864	374,284
Misc. Income	15	29
	839,751	**839,751**

Note 19 : Cost of Material Consumed	As at March 31, 2021	As at March 31, 2020
Opening Stock - Raw Material	18,500	14,520
Add : Purchase of Electronic Equipment's	26,209	46,370
Closing Stock - Raw Material	44,709	18,500
	-	**42,390**

Note 20: Employee Benefit Expense	As at March 31, 2021	As at March 31, 2020
Salary & Stipend	180,000	114623
Directors remuneration	-	-
Staff welfare	-	6542
Workman Insurance Expenses	-	5730
Total	**180,000**	**126,895**

Note 21: Depreciation and amortization expenses	As at March 31, 2021	As at March 31, 2020
Depreciation on Property, Plant and Equipment	14,135	13,100
Total Depreciation and amortization expenses	**14,135**	**13,100**

Note 22: Other Expenses	As at March 31, 2021	As at March 31, 2020
Advertisement	-	38,020
Auditors Remuneration-		
Statutory Audit Fees	102,000	30,000
Interest on Late Payment of TDS	2,491	-
Internal Audit Fees	60,000	-
Provision for Bad Advances	19,555,000	-
Registrar and Transfer Fees	75,261	-
Bank Charges	532	732
Courier & Postage Charges	-	61,847
Electricity Charges	11,420	12,413
Listing & Custodian fees	341,000	319,620
Office Expenses	-	21,812
Printing And Stationary	-	22,421
Professional Fees	150,000	128,000
Rates & Taxes	2,500	2,500
ROC Charges	7,800	5,000
Telephone Expenses	40,115	43,200
Travelling & Conveyance	-	9,524
Penalty	28,000	128,620
Total	**20,376,118**	**823,710**

Details of Payment to Auditors	As at March 31, 2021	As at March 31, 2020
For Statutory Audit Fees	1,02,000	30,000
Total Payment to Auditors	**1,02,000**	**30,000**

Note 23: Earning Per Share	Year Ended March 31, 2021	Year Ended March 31, 2020
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	(20,026,289)	(120,292)
Basic Earning per share (in Rs.)	(4.10)	(0.02)
Diluted Earnings per share (in Rs.)	(4.10)	(0.02)

Basics Earnings Per Share and Diluted Earnings Per Share are same as the Company has no Dilutive Potential Equity Shares.

Note 24: Disclosure regarding Related Party
Disclosure in accordance with Ind AS 24 – Related Party Disclosures during the year

i) Nature and Relationship of Related Parties

a) Directors, Key Management Personnel & Relatives of KMP

J. T .D'Souza	Managing Director
Punit Neb	Whole Time Director
Deep Shah	Company Secretary (Appointed w.e.f. 01/06/2020)
Ravikumar Channappa	Independent Director (Appointed w.e.f. 27/06/2020)
Kajal Jain	Independent Director

b) Entities in which Director & Relatives of directors holding Control and / or Joint Control

Sr. No.	Director's Name	Entity's Name	Nature of Holdings
1	J. T .D'Souza	Epson Finance & Investments Private Limited	96% Shareholding
2	Punit Neb	Epson Finance & Investments Private Limited	4% Shareholding

ii) Transactions with Related Parties during the year Relationship

Particulars	Nature of Transaction	March 31, 2021	March 31, 2020
a) Directors and Key Management Personnel			
Deep Shah	Remuneration	1,20,000	-
J. T .D'Souza	Loan taken from Director	14,925	49,000
J. T .D'Souza	Reimbursement of expenses	96,757	29,748
Punit Neb	Reimbursement of expense	52,500	3,833

iii) Closing Outstanding Balances of Related Parties

Particulars	Nature	March 31, 2021	March 31, 2020
J. T .D'Souza	Remuneration Payable	218,031	218,031
Punit Neb	Remuneration Payable	7,500	7,500
J. T .D'Souza	Unsecured Loan Payable	63,925	49,000
Punit Neb	Unsecured Loan Payable	70,000	70,000
Punit Neb	Payable (Reimbursement of expenses)	30,689	83,189
J. T .D'Souza	Payable (Reimbursement of expenses)	126,505	29,748

Related Parties as disclosed by Management and relied upon by auditors.

Note 25: 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 2021	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	-	-	-	-
Loan	-	-	5,743,020	5,743,020	-	-	-	-
Cash and cash equivalents	-	-	73,424	73,424	-	-	-	-
	-	**-**	**5,840,959**	**5,840,959**	**-**	**-**	**-**	**-**
Financial liabilities								
Borrowing	-	-	698,175	698,175	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	724,505	724,505	-	-	-	-
	-	**-**	**1,422,680**	**1,422,680**	**-**	**-**	**-**	**-**

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**	**-**	**-**	**-**	**-**

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

I. Fair value hierarchy

"The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) Recognised and measured at fair value and,
(b) Measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian accounting standard. An explanation of each level is as follows:"

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

"Significant valuation techniques used to value financial instruments include:

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date."

  - Use of quoted market price or dealer quotes for similar instruments
  - Using discounted cash flow analysis.

The fair values computed above for assets measured at amortised cost are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of unobservable inputs.

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 are 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, 2021"**	**"As at March 31, 2020"**
Neither Past due nor impaired	-	-
Past due but not impaired	-	-
Past due more than 180 days	-	-
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. 73,424 at 31st March, 2021. (Rs. 2,28,349 at 31st March 2020). 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 defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – trade payables and borrowings.

Liquidity risk management

"The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair investor confidence.

The Company maintained a cautious funding strategy, with a positive cash balance throughout the year ended 31st March, 2021 and 31st March, 2020. This was the result of cash delivery from the business. Cash flow from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis. The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, are retained as cash and cash equivalents (to the extent required). "

Maturities of non – derivative financial liabilities **(Amount in Rs.)**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Less than 1 year	**More than 1 year**	**Less than 1 year**	**More than 1 year**
Financial Liabilities - Current				
i. Current Borrowings *	529,175	169,000	-	169,000
ii. Trade payables	-	-	-	12,352
Total	**529,175**	**169,000**	**-**	**181,352**

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 exposure is 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 26: Capital Management

"The company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

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-today needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure."

Note 27: Contingent Liability: NIL

Note 28:

"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 29:

As certified by the Management there is no obligation in respect of gratuity and leave encashment during the year. The same is relied upon by the Director.

Note 30:

Balances are relied upon as per books of accounts wherever the confirmations from debtors /creditors /Loans /Advances are not available. Debtors and Creditors Balances are subject to Confirmation. Debtors & Creditors Balances are as per Management Representation and relied upon by the Auditors.

Note 31:

In the opinion of the management, the current assets, loans and advances have the values on realization in the ordinary course of business at least equal to the amounts at which they are stated in the balance sheet except the trade receivables and loans and advances which falls under management's policy for bad and doubtful debts as taken in the previous years.

Note 32:

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 Motilal & Associates
Chartered Accountants
(Firm's Registration No.: 106584W)

Sd/-
Rishabh Jain
Partner
Membership No. 179547

UDIN: 21179547AAAABL5327
Place : Mumbai
Date: 24.05.2021

For and on behalf of the Board of Directors
Sparc Systems Ltd

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