

**Registered Office :**  
1202, 12<sup>th</sup> Floor, Esperanza Building,  
Next to Bank of Baroda, 198, Linking Road,  
Bandra (W), Mumbai - 400 050. India  
Tel. : 9819001811 www.sparcelectrex.com  
Email : info@sparcelectrex.com / sparcelectrex@gmail.com  
CIN:L31100MH1989PLC053467 GST NO.:27AAECS2631Q1ZY



**Date: 06.09.2023**

**To,**  
**The Bombay Stock Exchange Ltd**  
Corporate Relationship Dept,  
1st Floor, New Trading Ring,  
Rotunda Building, P. J. Towers,  
Dalal Street, Fort, Mumbai - 400001

**BSE Scrip Code: 531370**

**Sub: Submission of 34<sup>th</sup> Annual Report for F.Y. 2022-23**

Dear Madam/Sir,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the 34<sup>th</sup> Annual Report of the Company for the Financial Year 2022-23, which has been sent to the shareholders of the Company through electronic mode on their registered e-mail ids.

The 34<sup>th</sup> Annual General Meeting is scheduled to be held on 28<sup>th</sup> September, 2023 at 03.00 p.m. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") in accordance with the relevant circulars issued by the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI").

The 34<sup>th</sup> Annual Report for the financial year 2022-23 is also available on the website of the Company at i.e. [https://sparcelectrex.com/wp-content/uploads/2023/09/34th-AR-F.Y.-2022-23-SPARC\\_-RTA.pdf](https://sparcelectrex.com/wp-content/uploads/2023/09/34th-AR-F.Y.-2022-23-SPARC_-RTA.pdf)

Kindly acknowledge the Receipt.

Thanking You  
Yours Faithfully  
**For Sparc Electrex Limited**  
**(Formerly Sparc Systems Ltd)**

**Shobith Ganesh Hegde**  
**(Whole Time Director)**  
**DIN: 02211021**  
**Place: Mumbai**



**Encl: a/a**

**SPARC ÉLECTREX**  
**LIMITED**

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**(Formerly Known as Sparc Systems Limited)**

**34<sup>th</sup> Annual General Meeting**  
**Annual Report 2022-23**

## **BOARD OF DIRECTORS**

<b>NAME</b>	<b>DESIGNATION</b>
Mr. Shobith Ganesh Hegde	Whole Time Director and Chief Financial Officer
Mr. Ravikumar Byrapatna Channappa	Executive Director
Mr. Suresh Vishwanathan	Executive Director
Mr. Niraj Hareshbhai Variava	Independent Director
Mr. Ashok Chhaganbhai Patel	Independent Director
Mrs. Sushmita Swarup Lunkad	Independent Director
Ms. Tejashri Dattakumar Kulkarni	Company Secretary & Compliance Officer

### **BANKERS**

Union Bank of India  
ICICI Bank

### **STATUTORY AUDITORS**

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

### **INTERNAL AUDITORS**

M/s. Manisha Chandak & Associates.  
Chartered Accountants,  
Mumbai

### **LISTING OF EQUITY SHARES**

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

### **REGISTRAR & TRANSFER AGENT**

**Universal Capital Securities Pvt Ltd**  
C-101, First Floor, 247 Park, Lal Bahadur Shastri Marg,  
Vikhroli (West), Mumbai 400083  
Phone No 022 28207203-05/ 28257641  
Fax 022 28207207  
Email: [info@unisec.in](mailto:info@unisec.in)  
Website: [www.unisec.in](http://www.unisec.in)

### **REGISTERED OFFICE**

1202, 12<sup>th</sup> Floor, Esperanza Building,  
198, Linking Road, Next to Bank of Baroda,  
Bandra West, Mumbai- 400050  
Phone No. +91 9819001811  
Email id: [sparcelectrex@gmail.com](mailto:sparcelectrex@gmail.com)  
Website: [www.sparcelectrex.com](http://www.sparcelectrex.com)

## **Index cum guide to Annual Report**

<b>Item No.</b>	<b>Contents</b>	<b>Pg. Nos.</b>
1	Notice	2
2	Instructions for VC-AGM and	5
3	Details of the Directors seeking Appointment/ Re-Appointment at the forthcoming Annual General Meeting	9
4	Directors' Report	10
5	Secretarial Audit Report (Annexure-I)	32
6	Disclosure of Related Party Transactions - AOC-2 (Annexure-II)	36
7	Details of the Remuneration of Directors and KMP (Annexure-III)	37
8	Conservation Of Energy, Technology Absorption & Foreign Exchange Earnings & Outgo (Annexure-IV & V)	38
9	Certificate of Non-Disqualification Of Directors (Annexure-VI)	39
10	Management Discussion and Analysis	40
11	Independent Auditors' Report	43
12	Balance Sheet	51
13	Statement of Profit and Loss	52
14	Cash Flow Statement	53
15	Significant Accounting Policies	54
16	Accompanying notes to the Financial Statements	65

**NOTICE IS HEREBY GIVEN THAT THE 34<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF SPARC ELECTREX LIMITED (FORMERLY KNOWN AS SPARC SYSTEMS LIMITED) (CIN: L31100MH1989PLC053467) WILL BE HELD ON THURSDAY, 28<sup>TH</sup> SEPTEMBER, 2023 AT 03:00 P.M. (IST) VIA TWO-WAY VIDEO CONFERENCING (“VC”) FACILITY/OTHER AUDIO-VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESSES (DEEMED VENUE IS REGISTERED OFFICE).**

### **ORDINARY BUSINESSES**

#### **Item No. 1: Adoption of Audited Standalone Financial Statements**

To receive, consider and adopt the Audited Standalone Financial Statements of the Company consisting of the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement for the financial year ended March 31, 2023 together with the Reports of the Board of Directors and Auditors thereon.

#### **Item No. 2: Appointment of Mr. Suresh Vishwanathan (DIN: 02310679) as a Director (liable to retire by rotation) of the Company**

To appoint a Director in place of **Mr. Suresh Vishwanathan (DIN: 02310679)** who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment- **Ordinary Resolution.**

**“RESOLVED THAT** Mr. Suresh Vishwanathan (DIN: 02310679), who retires by rotation at this 34<sup>th</sup> Annual General Meeting and being eligible, offered himself for re-appointment, be and is hereby appointed as a Director of the Company.”

**“RESOLVED FURTHER THAT** the Board of Directors or the Company Secretary of the Company be and are hereby severally authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.”

#### **REGISTERED OFFICE**

##### **Sparc Electrex Limited**

CIN: L31100MH1989PLC053467

1202, Esperanza Building, 198, Linking Road,

Next to Bank of Baroda, Bandra West, Mumbai- 400050

☎: 9819001811 | ✉: sparcelectrex@gmail.com | www.sparcelectrex.com

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

Sd/-

**Shobith Ganesh Hegde**

**(Whole Time Director)**

**DIN: 02211021**

**Mumbai, August 12, 2023**

### **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 addresses 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 addresses with the Company/R&T Agent while Members holding shares in Demat form can intimate/update their email addresses with their respective Depository Participants. Members are requested to further note that they are entitled to receive, free of cost, a printed copy of the Annual Report of the Company.

#### **Notes:**

- 1 The additional details of the Director retiring by rotation, 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 pursuant to the Secretarial Standards issued by the Institute of Company Secretaries of India, is annexed as Annexure I and forms part of this Notice.
- 2 Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, which came into effect from 7<sup>th</sup> May 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditor has been withdrawn from the Statute. Accordingly, no resolution is proposed for ratification of appointment of M/s. Motilal & Associates., Chartered Accountants, (FRN 106584W), Statutory Auditors, who were appointed in the Annual General Meeting held on September 27, 2020.
- 3 The Ministry of Corporate Affairs (‘MCA’) has vide its General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 20/2020 dated 5th May, 2020, General Circular No.22/2020 dated 15th June, 2020, General Circular No. 33/2020 dated 28th September, 2020, General Circular No. 39/2020 dated 31st December, 2020, General Circular No. 10/2021 dated 23rd June, 2021, General Circular No. 20/2021 dated 8th December, 2021, General Circular No. 3/2022 dated 5th May, 2022, General Circular No. 11/2022 dated 28th December, 2022 and the Securities and Exchange Board of India (“SEBI”) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021, Circular No SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 (collectively referred to as ‘MCA and SEBI Circulars’) permitted the holding of the Annual General Meeting (‘AGM’) through Video Conferencing (‘VC’) facility/Other Audio Visual Means (‘OAVM’), without the physical presence of the Shareholders at a common venue.

In compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, this AGM of the Company is being held through VC/ OAVM. Shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

- 4 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, Attendance Slip and route map of the AGM are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- 5 Corporate Members intending to authorize their representatives to participate and vote at the meeting, pursuant to Section 113 of the Act, are requested to email a certified copy of the Board resolution/ authorization letter to the Company at [sparcelectrex@gmail.com](mailto:sparcelectrex@gmail.com) or shall upload the same on the VC portal/ e-voting portal.
- 6 Notice is also given under Section 91 of the Act read with Regulation 42 of the SEBI Listing Regulations that the Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 21st September, 2023 to Thursday, 28th September, 2023 (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 at least 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. The detailed instructions for joining the Meeting through VC/OAVM forms part of this notes.
- 9 In line with the MCA Circulars, the Notice calling the AGM along with Annual Report 2022-23 is being sent only through electronic mode to those members whose e-mail address is registered with the Company or the Depository Participant(s). Members may note that the Notice of AGM along with Annual Report has also been uploaded on the website of the Company at <https://sparcelectrex.com/annual-reports/> and website of BSE Limited at [www.bseindia.com](http://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) at [www.evotingindia.com](http://www.evotingindia.com). Members (Physical / Demat) who have not registered their email addresses with the company can get the same registered with the company by requesting to our Registrar and Share Transfer Agent ("RTA") i.e. Universal Capital Securities Private Limited at [info@uniseq.in](mailto:info@uniseq.in) and to the Company at [sparcelectrex@gmail.com](mailto:sparcelectrex@gmail.com).
- 10 As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Shareholders in respect of the shares held by them. Shareholders who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website at <https://sparcelectrex.com/miscellaneous/>. Shareholders are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the Registrar and Transfer Agents ("RTA"), Universal Capital Securities Private Limited, in case the shares are held in physical form.
- 11 The Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details furnished by the Depositories for any payment (including dividend) through Electronic Clearing Service ("ECS") to investors. In the absence of ECS facility, companies shall mandatorily print the bank account details of the investors on such payment instruments. Members are encouraged to avail ECS facility and requested to update bank account details in the prescribed form to their respective Depository Participant(s) and/or the Company's R&T Agents.
- 12 Members who have not registered their e-mail ID so far are requested to register the same for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company in electronic form.
- 13 Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail ID, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their respective Depository Participant(s) in case the shares are held in electronic form and to the Company's R&T Agents in case the shares are held in physical form.
- 14 Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service

requests viz. Issue of duplicate securities certificate; claim from unclaimed dividend account; exchange of securities certificate; sub-division of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, on the website of the Company's Registrar and Transfer Agents, Universal Capital Securities Private Limited at <https://www.unisec.in/client-downloads.html>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

- 15 SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Universal Capital Securities Private Limited, for assistance in this regard.
- 16 To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- 17 Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrar and Transfer Agents, for consolidation into a single folio.
- 18 The Members are requested to notify promptly any change in their address to the Company or their depository participant, as the case may be.
- 19 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall provide their PAN details to the Company/Registrars and Transfer Agent, M/s Universal Securities Private Limited.
- 20 The Securities Exchange Board of India vide its Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March, 2023 has made it mandatory to furnish PAN, Nomination / Declaration to opt-out of Nomination, Contact details, Bank Account details and Specimen Signature by Physical Shareholders. The folios wherein any one of the cited document/details are not available on or after October 1, 2023, the folios shall be frozen by the RTA.

Keeping the above statutory requirements in view, the Company has already sent letters to the concerned shareholders holding shares in physical form requesting them to furnish valid PAN, Nomination / Declaration to opt-out of Nomination, Contact details, Bank Account details and Specimen Signature immediately to the RTA of the Company M/s Universal Capital Securities Private Limited at their e-mail: [info@unisec.in](mailto:info@unisec.in) in the prescribed Form to ensure that their folios are not frozen after 1<sup>st</sup> October, 2023.

- 21 Members seeking any information or clarifications on the Annual Report are requested to send their queries to the Company on Companies e-mail id i.e [sparcelectrex@gmail.com](mailto:sparcelectrex@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.
- 22 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 [sparcelectrex@gmail.com](mailto:sparcelectrex@gmail.com), on or before September 21, 2023. 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.
- 23 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 Monday, September 25, 2023  
**End of remote e-voting:** Upto 05.00 p.m. (IST) on Wednesday, September 27, 2023.
- 24 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.
- 25 Mr. Pankaj Trivedi, Practicing Company Secretary (Certificate of Practice No. 15301), Proprietor of M/s. Pankaj Trivedi & Co., has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
- 26 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. Thursday, 21<sup>st</sup> September, 2023 ("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. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- 27 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](http://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.

- 28 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.
- 29 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.
- 30 Once the Member has casted his/her vote on the resolution(s), he/she will not be allowed to modify his/her vote or to cast the vote again.
- 31 During the AGM remote e-voting module will be enabled for e-voting and the same will be open for 15 minutes after conclusion of the meeting.
- 32 The results on above resolutions shall be declared not later than two working days from the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the resolutions.
- 33 The results of voting declared along with Scrutinizer's Report(s) will be published on the website of the Company [www.sparcelectrex.com](http://www.sparcelectrex.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) and the same shall also be simultaneously communicated to the BSE Limited.
- 34 Instructions for e-voting and attending the Annual General Meeting is annexed and forms part of this Notice.
- 35 Considering the Meeting would be held through VC/ OAVM, the proxy form, attendance slip and 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.

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

**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

**Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (i) The voting period begins on Monday, 25<sup>th</sup> September, 2023 (09.00 a.m. IST) and ends on Wednesday, 27<sup>th</sup> September, 2023 (05.00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 21<sup>st</sup> September, 2023 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/ websites of Depositories/ Depository Participants**. 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 process.

**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- (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 Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id 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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</li> <li>If the user is not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDEAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number 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 &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	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 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800225533.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 18001020990 and 1800224430

**Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

(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](http://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](http://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) <ol style="list-style-type: none"> <li>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.</li> </ol>
Dividend Company 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. <ol style="list-style-type: none"> <li>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.</li> </ol>

- (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 **230902025** (For Fully Paid Shares) and **230902026** (For Partly Paid-Up Shares) for the relevant <SPARC ELECTREX 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](http://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](mailto: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 will be mapped automatically & can be delink in case of any wrong mapping.

- It is Mandatory that, 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 mandatory 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; [sparcelectrex@gmail.com](mailto:sparcelectrex@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/ EGM is same as the instructions mentioned above for Remote 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 be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
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 at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [sparcelectrex@gmail.com](mailto:sparcelectrex@gmail.com). 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 [sparcelectrex@gmail.com](mailto:sparcelectrex@gmail.com). 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/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/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 WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:**

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 update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

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](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

**REGISTERED OFFICE**

**Sparc Electrex Limited**

CIN: L31100MH1989PLC053467

1202, Esperanza Building, 198, Linking Road,

Next to Bank of Baroda, Bandra West, Mumbai- 400050

☎: 9819001811 | ✉: [sparcelectrex@gmail.com](mailto:sparcelectrex@gmail.com) | [www.sparcelectrex.com](http://www.sparcelectrex.com)

**For and on behalf of the Board**

Sd/-

**Shobith Ganesh Hegde  
(Whole Time Director)**

**DIN: 02211021**

**Mumbai, August 12, 2023**

**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	<b>Mr. Suresh Vishwanathan</b>
DIN	02310679
Nationality	Indian
Date of Birth	02/08/1956
Age	67 years
Academic Qualifications	Economics Graduate and CAIIB (I)
Experience and Expertise	<p>Mr. Suresh Vishwanathan is a Banker and Finance Professional with over six decades of experience in a Nationalized Bank and in the NBFC domain. He was also involved in a lot of rehabilitation of sick units during his tenure. He subsequently headed three Branches which were medium sized. In 1991 he left the State Bank Group and joined the NBFC World.</p> <p>After a brief stint with the Ispat and Bharat Forge group he joined L&amp;T Finance as Head of Corporate Finance. During his tenure here he introduced a lot of new products and was the pioneer in IPO Financing Loans against shares for Promoters Motor Vehicle Financing. In Corporate Financing he introduced operating lease and the bluest of blue companies were his clients. He also did a lot of Securitization of Assets during his tenure here. The total size of the book under his supervision increased from Rs 200 Crores in 1996 (when he joined LTF) to Rs 4000 Crores in 2008 when he left the Company. He left the Company as a Vice President.</p> <p>Subsequent to his leaving LTF he did financial consultancy in a Coal Company in a Logistics Company and lastly with Sakthi Finance Ltd. He also has been syndicating both Debt and Equity to various corporates in the Country.</p>
Expertise in specific functional area	<ul style="list-style-type: none"> <li>- Business Development, Business Strategy &amp; Transformation</li> <li>- Turning around scale businesses</li> <li>- Strong financial, economical, administrative and organizational skills</li> </ul>
Skills and capabilities required for the role	<ul style="list-style-type: none"> <li>- Financial Management and Economics, Industry Knowledge</li> <li>- General Administration,</li> <li>- Strategic Planning, brand building and innovation</li> </ul>
Date of first appointment on the Board	30.11.2021
Directorship in other companies	1) ACE Power Tools Private Limited
No. of Membership(s)/ Chairmanship(s) of Board Committees in other companies	Nil
Membership in Committees in Sparc	Nil
Listed entities from which he/she has resigned in the past three years	Nil
No. of Shares held in the Company	Nil
Disclosure of relationship between Directors inter-se or between the director and the manager and other key managerial personnel of the company	Nil
Number of Board Meeting attended during the financial year	7
Remuneration and other terms & conditions of appointment/re-appointment	Rs. 1,50,000/- per month or such other amount as may be decided and recommended by the Board. Other terms and conditions of his appointment as Executive Director of the Company, remains the same as approved by the resolution passed by the members through Postal Ballot as on 7 <sup>th</sup> January, 2022.
Remuneration paid/payable for the Financial Year 2022-23	Nil

**DIRECTOR'S REPORT**

To,  
The Members  
Sparc Electrex Limited  
(Formerly Sparc Systems Ltd)  
CIN: L31100MH1989PLC053467

The Directors are pleased to present the 34<sup>th</sup> Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2023.

**FINANCIAL PERFORMANCE:**

Summary of the Company's financial performance for F.Y. 2022-2023 as compared with previous financial year is given below:

Particulars	(Amounts in '000)	
	F.Y. 2022-23	F.Y. 2021-22
Revenue from Operation	48480.11	131,471.79
Revenue from other Income	4102.93	19,259.98
<b>Total Revenue</b>	<b>52,583.04</b>	<b>150,731.77</b>
Profit before Dep. & Int.	7,794.60	22,208.15
Depreciation	-	4.84
Interest	-	-
Profit after Depreciation & Interest and before Tax	7,794.60	22,203.31
Provision for Taxation	816.77	792.00
Provision for Tax (deferred)	12.80	235.79
Provision for Taxation for earlier year	-	-
<b>Profit/Loss after Tax</b>	<b>6,965.03</b>	<b>21,175.52</b>

**REVIEW OF OPERATIONS:**

During the financial year 2022-23, the total revenue on standalone basis declined to '525.83 lakhs as against '1507.32 lakhs in the previous year with a decline of 1.86 times, which ultimately resulted lesser earning of net profit i.e. 69.65 lacs against net profit of '211.76 lacs in previous year.

The management of the Company is very optimistic regarding performance of the Company in future and are taking effective steps to improve the performance of the Company through growth in revenue, managing cost, strategic marketing, increasing brand awareness and brand equity through advertisement campaign.

**COMPANY OVERVIEW:**

The Company is primarily engaged in the business of Manufacturing and Trading in Power Tools, Electricals, Metals and Metal Products and was originally incorporated under the provisions of The Companies Act, 1956 as 'Sparc Systems Private Limited' on September 14, 1989, with the Registrar of Companies, Maharashtra. In the Financial Year 1994, the Company was converted from Private Limited Company into a Public Limited Company vide Extra-Ordinary General Meeting held on December 03, 1994, and in pursuance of which the private word had been deleted from the name of the Company, effecting the name change to 'Sparc Systems Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Maharashtra on January 18, 1994. The Equity Shares of the Company got listed on January 22, 1996, with BSE. The name of the Company was further changed to its present name 'Sparc Electrex Limited' pursuant to a special resolution of shareholders passed in an extra-ordinary general meeting dated November 29, 2021, and a fresh certificate of incorporation dated January 13, 2022, consequent on such change of name was issued to the Company by the Registrar of Companies, Maharashtra. A brief profile of the Company is available on the website of the Company at <https://sparcelectrex.com/about/>

**DIVIDEND:**

To conserve the resources for the expansion of business in the long run, your Company has not recommended any dividend for the Financial Year 2022-23 and has decided to retain the profits.

**AMOUNT TO BE TRANSFERRED TO RESERVES:**

The Board of Directors of the Company has not transferred any amount to the General Reserves for the F.Y. 2022- 23.

**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.

**DEPOSITS:**

During the year under review, your Company has neither invited nor accepted any fixed deposits from the public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, BETWEEN THE DATE OF THE BOARD REPORT AND AT THE END OF FINANCIAL YEAR:****Rights Issue of Partly Paid Equity Shares**

The Board of Directors of the Company consequent to its resolution passed on September 23, 2022 for raising money not exceeding '30 crores by way of offering new equity shares to its existing shareholders on rights basis has resolved and approved in its meeting held on February 14, 2023 to issue and allot 1,46,67,000 (One Crore Forty-Six Lakhs Sixty-Seven Thousand) partly paid-up Equity Shares of face value of Rs. 10/- each at an issue price of Rs. 19/- (Rupees Nineteen Only) per share (Incl. premium of Rs.9/- per Share) aggregating to offer size of Rs.27,86,73,000/-(Rupees Twenty-Seven Crore Eighty-Six Lakhs Seventy-Three Thousand Only) to all the eligible equity shareholders of the Company on a rights basis in the ratio of 3 (Three) Right Shares for every 1 (One) equity shares held by such eligible equity Shareholders as on Tuesday, February 28, 2023 being the Record Date.

The terms of payment approved by the Directors were as follows:

Amount Payable per Rights Equity Share	Face Value	Premium	Total
On the Issue application	Rs. 2.50	Rs. 2.25	Rs. 4.75
On One or more subsequent Call(s) as determined by our Board / Committee at its sole discretion, from time to time*	Rs. 7.50	Rs. 6.75	Rs. 14.25
Total	Rs. 10.00	Rs. 9.00	Rs. 19.00

The Issue was opened on March 14, 2023 and closed on April 12, 2023. The issue was over-subscribed by 1.105 times of it called. On April 24, 2023, the Company approved the allotment of 1,46,67,000 partly paid up equity shares of face-value '10/- each to the eligible applicants upon receipt of application money of '4.75/- per shares ('2.50 towards face value and '2.25 towards premium) including allotment of 45,48,526 equity shares upon conversion of an unsecured loan borrowed from M/s. Electrex International Private Limited, part of the promoter group of the Company for a total consideration of Rs. 2,16,05,498.50/-. The said conversion was a part of the offer letter and in connection with the same the company has also secured the approval of the members through a special resolution passed in the Extra-ordinary General Meeting of the Company held on April 22, 2023.

Further, in accordance with the terms of issue, the Board of Directors of the Company in its meeting held on June 20, 2023 approved making of First and Final Call Money of Rs. 14.25/- per share (out of which '7.50/- will be adjusted towards face value and '6.75/- will be adjusted towards securities premium) on 1,46,67,000 (One Crore Forty Six Lakhs Sixty Seven Thousand) partly paid equity shares of the Company, payable during the period from July 06, 2023 to July 20, 2023.

Post closure of the payment period on July 20, 2023, the Company has received an aggregate amount of '2,40,48,471/- on account of the first and final call money against 16,00,904 partly paid up equity shares at '14.25/- per share (comprising of '7.50/- towards face value and '6.75/- towards premium per share) representing around 12.25% of the total amount due on first and final call. There was also a refund to be given for an amount of '12,35,589/- due to rejections.

Then the Board of Directors at its meeting held today on 3<sup>rd</sup> August, 2023 interalia approved the conversion of above 16,00,904 partly paid-up equity shares of face value Rs. 10/- upon receipt of call money to fully paid up shares of the Company.

**Trademark License Agreement with Hyundai Corporation Holdings Co., Ltd, Korea:**

The Board of Directors of the Company are glad to inform that the Company, Sparc Electrex Limited has signed and thereby entered into an Exclusive Trademark License Agreement with Hyundai Corporation Holdings Co., Ltd, Korea for developing, producing, sourcing, selling, marketing and distributing the Power Tools and other related auxiliary activities in India under the brand name, "HYUNDAI".

The Directors of the Company believe that the association with "HYUNDAI" brand will help the company in promoting and positioning its products along-side other MNC brands in India and will help the Company in achieving higher sales, higher prices for its products and better margin in future.

The brief details of the agreement have been uploaded on the website of the Company at <https://sparcelectrex.com/public-announcement/> and are also available on the website of the BSE at [www.bseindia.com](http://www.bseindia.com).

**SHARE CAPITAL / CAPITAL STRUCTURE:**

The Authorised share capital of the Company is Comprises of 2,00,00,000 equity shares of Rs.10/- each amounts to Rs.20,00,00,000/-. The paid up capital of the Capital of the Company is Rs. 9,75,64,280/- comprising of 64,89,904 equity shares of Rs.10/- each fully paid and 1,30,66,096 partly paid up equity shares with paid up value of Rs.2.50/- each. Both the fully paid up and partly paid up shares were listed on BSE in different ISINs (Fully Paid-up - INE960B01015 and Partly Paid-up - IN9960B01013). The trading in partly paid-up ISIN has been suspended by the exchange upon announcing first and final call money by the Company.

**DETAILS OF UTILISATION OF FUNDS:**

Post the period under review, the Company raised funds by way of allotment of 1,46,67,000 partly paid equity shares pursuant to Section 62 of the Companies Act, 2013. The funds raised from the rights issue have been utilized as per the objects stated in the Letter of Offer dated February 14, 2023.

Further during the year, the Company has not raised any funds through preferential allotment or through qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

**CHANGE IN NAME OF THE COMPANY**

During the period under review, there was no change in the name of the Company.

**CHANGE IN NATURE OF BUSINESS, IF ANY:**

The Company is now into the business of Manufacturing and Trading in Power Tools, Electricals, Metals and Metal Products and there are no changes in the nature of business of the company during the financial year March 2022-23.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

During the financial year ended 31st March, 2023, the Company did not grant any loan or provide any guarantee or made any investment as per the provisions of Section 186 of the Companies Act, 2013.

**EXTRACT OF ANNUAL RETURN**

Pursuant to provisions of Section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Extract of the Annual Return for the financial year ended March 31, 2023 is displayed on the website of the Company at <https://sparcelectrex.com/annual-returns/>

**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 were 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.

**SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary, Joint Venture or Associate Companies as on March 31, 2023.

The company has formulated a policy on the identification of material subsidiaries in line with regulation 16(c) of SEBI (Listing obligation and disclosure requirement) 2015 and same is also available on the company's website <https://sparcelectrex.com/wp-content/uploads/2022/09/Material-Subsidiary-Related-Party-Transaction-Policy.pdf>

**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 to be Subsidiaries, Joint Ventures or Associate Companies during the financial year 2022-2023.

**LISTING OF SHARES:**

The equity shares of the Company continue to be listed and traded on the BSE Limited. The Annual Listing fee for the year 2023-24 has been paid to the Stock Exchange. There was no suspension on shares of the Company during the year.

**BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**Composition and Constitution of Board of Directors**

The Board of Directors provides strategic direction and supervision to an organization. The Company's Board consists of learned professionals and experienced individuals from different fields.

Presently, the Company has a balanced mix of Executive and Non-Executive Independent Directors. As on March 31, 2023, the Board comprises of 6 Directors out of which 3 are Executive Directors and 3 are Non-Executive Directors, including one Woman Director. The Chairman is an Executive Whole Time Director and Chief Financial Officer of the Company. The composition of the Board of Directors has been briefly shown in the below mentioned table:

Sr. No.	Name	Designation	DIN	Date of Appointment
1	Mr. Shobith Ganesh Hegde	Whole Time Director & CFO	02211021	19/10/2021
2	Mr. Suresh Vishwanathan	Executive Director	02310679	30/11/2021
3	Mr. Ravikumar Byrapatna Channappa	Executive Director	06595061	27/06/2020
4	Mr. Niraj Hareshbhai Variava	Independent Director	09197068	08/06/2021
5	Mr. Ashok Chhaganbhai Patel	Independent Director	08024669	22/04/2022
6	Mrs. Sushmita Swarup Lunkad	Independent Woman Directors	09044848	22/04/2022

During the year under review Mrs. Kajal Ashok Jain (DIN: 08129655) stepped down from the post of Independent Director of the Company w.e.f. closing hours of 21<sup>st</sup> April, 2022.

The Board upon recommendation of N&R Committee inducted Mr. Ashok Chhaganbhai Patel (DIN: 08024669) and Mrs. Sushmita Swarup Lunkad (DIN: 09044848) as an Independent Directors on Board w.e.f April 22<sup>nd</sup>, 2022 and Mr. Ravikumar Byrapatna Channappa (DIN: 06595061) was redesignated to Executive Director w.e.f April 22<sup>nd</sup>, 2022. The Company has sought and secured the approval of the members for above mentioned items by way of postal ballot dated 28<sup>th</sup> May, 2022.

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations, with an appropriate combination of Executive, Non-Executive and Independent Directors.

#### **Director's retiring by rotation**

In terms of Section 152 of the Act, Mr. Suresh Vishwanathan (DIN: 02310679), Executive Director of the Company, holding longest position amongst the other Directors is liable to retire by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible, offers himself for reappointment. The Directors have recommended his appointment for approval of the shareholders, in the ensuing AGM of the Company.

The Company has received necessary disclosures and confirmations from concerned Director(s) in connection with the re-appointment. The information of Directors, seeking re-appointment, pursuant to Regulation 36(3) of the Listing Regulations and Companies Act, 2013 is provided in the notice of the Annual General Meeting of the Company.

#### **Composition and Constitution of Key Managerial Personnel**

In terms of Section 203 of the Act, the Company has the following Key Managerial Personnel (KMP'S) as on the year ended March 31, 2023:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
1	Mr. Shobith Ganesh Hegde	Whole Time Director & Chief Financial Officer
2	Ms. Tejashri Kulkarni*	Company Secretary and Compliance Officer

#### **Notes:**

\* Ms. Tejashri Kulkarni was appointed as Company Secretary and Compliance Officer of the Company w.e.f. April 22, 2022 and she stepped down from her position w.e.f August 26, 2023.

The Board is grateful for their support and places on record its appreciation for the responsibilities shouldered by them in their respective roles.

The details of composition of Board and KMP is available on the website of the Company at <https://sparcelectrex.com/about/>

#### **Declaration of Independence**

The Independent Non-Executive Directors of the Company have affirmed that they continue to meet all the requirements specified under Regulation 16(1)(b) of the SEBI LODR Regulation, 2015 and Section 149(6) of the Companies Act, 2013 in respect of their position as an "Independent Director" of Sparc Electrex 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.

During the year under review, the Company did not have any pecuniary relationship or transactions with any of its Directors, other than payment of remuneration and payment of sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

#### **Independent Directors' Meeting**

A separate meeting of the Independent Directors was held on March 24, 2023 without the presence of Executive Directors or non-independent Directors and members of the management.

#### **Familiarization Programme for Independent Directors**

Your Company follows a structured orientation and familiarization programme for Independent Directors which includes familiarizing through reports/codes/internal policies/presentations to enable them to understand their roles and responsibilities, nature of the industry in which the Company operates, business model of the Company, its strategic and operating plans. Further, during the year, presentations were also made from time to time at the Board and its committee meetings, on regular intervals, covering the business and financial performance of the Company, business outlook, budget,

expansion plans, succession plans etc. The Details of program for familiarization of Independent directors of the company is accessible on Company’s website at <https://sparcelectrex.com/familiarisation-programme-for-independent-directors/>

**Board Meetings held during the Financial Year 2022-23:**

During the year ended 31<sup>st</sup> March 2023, total 7 (Seven) Meetings of the Board of Directors were held. The details of the Board meeting held and the participation of the Directors thereat is enumerated as under.

Sr. No.	Date of the Board Meetings	Board Strength	No. of Directors Present	No. of Independent Directors Present	% of Attendance
1	22/04/2022	4	4	1	100%
2	21/05/2022	6	6	3	100%
3	12/08/2022	6	6	3	100%
4	23/09/2022	6	6	3	100%
5	14/11/2022	6	6	3	100%
6	14/02/2023	6	6	3	100%
7	31/03/2023	6	6	3	100%

**Directors’ Attendance at the Board Meetings and Annual General Meeting (AGM):**

The details of attendance recorded at each of the Board Meetings and also at the Annual General Meeting of the Company held during the year ended 31<sup>st</sup> March 2023 are as under:

Sr. No.	Name of the Board Members	No. of Meetings entitled to attend	No. of Meetings attended	Attendance at the last AGM held on 29.09.2022
1	Mr. Shobith Ganesh Hegde	7	7	Yes
2	Mr. Suresh Vishwanathan	7	7	Yes
3	Mr. Niraj Haresbhai Variava	7	7	Yes
4	Mr. Ravikumar Byrapatna Channappa	7	7	Yes
5	Mr. Ashok Chhaganbhai Patel	6	6	Yes
6	Mrs. Sushmita Swarup Lunkad	6	6	Yes

**Board-Skills / Expertise / Competencies:**

The Board of Directors based on the recommendations of the Nomination and Remuneration Committee, identified the following core skills / expertise / competencies of Directors as required in the context of business of the Company for its effective functioning:

Sr. No.	Skills / Expertise / Competencies
1	Leadership qualities
2	Industry knowledge and experience
3	Understanding of relevant laws, rules and regulations
4	Financial expertise and management
5	Risk management
6	General administration and Organizational skills
7	Strategic Planning, Brand Building and Innovation
8	Business Development, Business Strategy & Transformation

**A Chart / Matrix Setting Out the Skills / Expertise and Competencies of the Board of Directors:**

The Directors of the Company possess diverse knowledge and requisite skills, expertise, and competencies to effectively discharge adequate technical, financial, legal, and administrative skills in guiding the management. In terms of Para C(2), Schedule V to the SEBI Listing Regulations, the Board of Directors has identified the core skills / expertise / competencies which are desirable for the effective functioning of the Company and its sector. Accordingly, the details of such skills possessed by the Directors being members of the Board as on 31<sup>st</sup> March, 2023 are as under:

Sr. No.	Skills / Expertise / Competencies	Mr. Shobith Hegde	Mr. Suresh Vishwanathan	Mr. Niraj Variava	Mr. Ravikumar Channappa	Mr. Ashok Patel	Ms. Sushmita Lunkad
1	Leadership qualities	Expert	Expert	Good	Expert	Good	Good
2	Industry knowledge and experience	Expert	Expert	Good	Good	Good	Proficient
3	Understanding of relevant laws, rules and regulations	Expert	Expert	Expert	Proficient	Expert	Expert
4	Financial expertise and management	Expert	Expert	Expert	Good	Proficient	Proficient
5	Risk management	Expert	Expert	Good	Good	Good	Good

6	General administration and Organizational skills	Expert	Expert	Expert	Expert	Expert	Expert
7	Strategic Planning, Brand Building and Innovation	Expert	Expert	Good	Expert	Good	Good
8	Business Development, Business Strategy & Transformation	Expert	Expert	Good	Expert	Good	Good

**Board Procedure- Information Flow to the Board Members:**

Information is provided to the Board Members on a continuous basis for their review, inputs and approval from time to time. More specifically, we present our annual Strategic Plan and Operating Plans of our business to the Board for their review, inputs and approval. Likewise, our quarterly financial results and annual financial results are first presented to the Audit Committee and subsequently to the Board of Directors for their approval. In addition, specific cases of fund raising, important managerial decisions, material positive/ negative developments and statutory matters are presented to the respective Committees of the Board and later with the recommendation of Committees to the Board for their approval.

As a system, in most cases, information to Directors is submitted along with the agenda papers well in advance of the Board meeting. Inputs and feedback of Board Members are taken and considered while preparation of agenda and documents for the Board meeting. The Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

**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, the Directors of the Company to the best of their knowledge hereby state and confirm that:

- a. In the preparation of the annual accounts for the financial year ended 31st March, 2023 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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 Company as at the end of March 31, 2023 and of the profit of the Company for the year ended as on that date.
- c. Proper and sufficient care have been taken 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 an 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 they have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

**Board Diversity**

The Company recognizes and embraces the importance of a diverse board in its success. The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help the Company to retain its competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The same is available on the website of the Company: <https://sparcelectrex.com/wp-content/uploads/2022/11/Board-Diversity-Policy-Sparc.pdf>

**Evaluation of Board of Directors:**

In line with the statutory requirements enshrined under the Companies Act, 2013 and the Listing Regulations, the Board carried out a performance evaluation of itself, its Committees, the Chairman and each of the other Directors.

The performance evaluation was carried out on the basis of framework approved by the Nomination and Remuneration Committee. The Board sought the feedback of Directors on various parameters including:

- Degree of fulfilment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, adherence to the Code of Conduct, contribution at meetings and inputs regarding the growth and performance of the Company in the long-term strategic planning, decision-making, action-oriented, external knowledge etc);
- Structure, composition, quality and clarity in role of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;



- Effectiveness of the deliberations and process management;
- Board/Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

Based on the suggestive parameters approved by the Nomination and Remuneration Committee, the following evaluations were carried out:

- Review of performance of the Non- Independent Directors and Board as a whole by Independent Directors.
- Review of the performance of the Chairperson by the Independent Directors.
- Review of Board as a whole by all the Members of the Board.
- Review of all Board Committees by all the Members of the Board.
- Review of Individual Directors by rest of the Board Members except the Director being evaluated.

#### **Manner of Board Evaluation:**

The Nomination and Remuneration Committee approved a framework in the form of a questionnaire for annual evaluation of the Board, Board Committees and Individual Directors. During the year, Board Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and of the Directors.

The performance of the Directors was evaluated after seeking inputs from all the Directors other than the one who is being evaluated and the performance of the Committees was evaluated after seeking the inputs of committee members on the criteria such as understanding the terms of reference, committee composition, independence, contributions to Board decisions, etc. The evaluation was also based on the criteria such as Director's knowledge, understanding and commitment of their role, Company's vision and mission, market potential, qualification, skill and experience, openness in communication, etc. The above criteria are as provided by the Guidance Note on the Board Evaluation issued by the Securities and Exchange Board of India.

In a separate meeting of Independent Directors, performance of Non-Independent Directors and the Board as a whole was evaluated. The Independent Directors in the said meeting also evaluated the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Additionally, the Chairman of the Board was also evaluated on key aspects of his role, taking into account the views of Executive Directors and Non-Independent Directors in the aforesaid meeting.

The Performance evaluation of Independent Directors was done by the entire board, excluding the Independent Director being evaluated. The evaluations were then discussed in the Board Meeting, the meeting of the Independent Directors and at Nomination and Remuneration Committee.

The Board evaluation report is then submitted to the Chairman of the Board and the Chairman of Nomination and Remuneration Committee. The Chairman of the Board discussed the outcome of evaluation of the individual Directors separately with them in detail. The evaluation report contains an executive summary of findings and several key recommendations from the evaluation process. The report of the Board evaluation was adopted by the Nomination and Remuneration Committee and the Board.

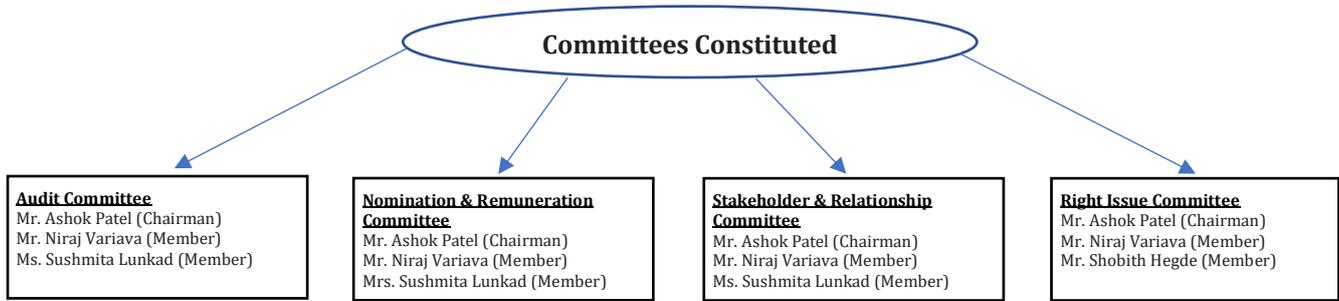
In the evaluation of the Board and its Committees, the following major observations/suggestions emerged:

- There should be a strong focus on compliance and governance, good engagement on key business issues, and increasing focus on the core business;
- The Board needed to consider talent across various functions including management, technical and operational for strategizing the company to the next level.
- The Board should ensure that the Company follows a policy of zero tolerance for all ethical violations or misconducts and an increased focus on safety is essential and should be emphasized across the Company;
- The Board also noted that given the changing external environment the Company should be prepared for any likely disruption.
- The Board agreed that the organization was focused in the right direction of creating a 'purpose-driven' organisation.
- The need for having better understanding of competitive landscape in a dynamic business environment and importance of being updated in the emerging technology areas relevant for the Company.

#### **COMMITTEES OF THE BOARD:**

In terms of the Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters, which defines the scope, powers and composition of the Committee. These Committees play an important role in the overall Management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Company has Four Board Level Committees. As on year ended 31.03.2023 the Company has following Committees of Board with the given composition.



**AUDIT COMMITTEE:**

**Composition, Name of Members and Chairperson:**

Your Company has a duly constituted Audit Committee and its composition is in line with the requirements of the Act and Listing Regulations.

The Audit Committee during the year 2022-23 comprised of three members. All are Independent Directors including the Chairman. All members of the Audit Committee are financially literate and possess accounting and related financial management expertise. The Company Secretary acts as the Secretary to the Committee.

During the year under review, the Audit Committee met Five (5) times on (i) April 22, 2022 (ii) May 21, 2022 (iii) August 12, 2022 (iv) November 14, 2022 and on (v) February 14, 2023 with necessary quorum being present at all the meetings and the time gap between any two meetings did not exceed one hundred and twenty days.

The constitution of Committee as on March 31, 2023 and details of attendance of members is as under:

Name of Members	Category	Designation	No. of Meetings Held	Entitlement to Attend	No. of Meetings Attended
Mr. Ashok Patel*	Independent Director	Chairperson	5	4	4
Mrs. Kajal Jain*	Independent Director	Chairperson	5	0	0
Mr. Ravikumar Channappa*	Independent Director	Member	5	1	1
Mr. Niraj Variava	Independent Director	Member	5	5	5
Mrs. Sushmita Lunkad*	Independent Director	Member	5	4	4

**Notes:**

\*The Committee was reconstituted on April 22, 2022 wherein Mr. Ashok Patel was appointed as the Chairperson to the Audit Committee in place of Mrs. Kajal Jain upon her resignation and Mrs. Sushmita Lunkad was appointed as the member of the Audit Committee in place of Mr. Ravikumar Channappa upon his re-designation from Non-executive Director to Executive Director.

During the year under review, all recommendation made by the committee were accepted by the Board.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 29, 2022.

Statutory Auditors as well as Internal Auditors are invited and attend meetings of the Audit Committee and periodic presentations are also made to the Audit Committee on various issues.

**The Role of the Audit Committee:**

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the Listing Regulations and Section 177 of the Act as applicable along with other terms as referred by the Board.

- Recommendation for appointment, re-appointment, removal, remuneration and terms of appointment of auditors of the Company;
- To review and to monitor the auditors’ independence and performance and effectiveness of audit process;
- Discussing with the external Auditors before the Audit commences on the nature and scope of Audit, as well as having post Audit discussion to ascertain the area of concern, if any;
- Examination of the financial statements and the auditors’ report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Looking after the risk assessment including fraud risk and risk guidelines governing the risk management process;
- Reviewing the internal audit reports relating to internal control weaknesses;
- Monitoring the end use of funds raised through public offers and related matters.
- Operation of the vigil mechanism in the Company.
- Overseeing the Company’s financial reporting process and disclosure of financial information to ensure that the financial Statements are correct, sufficient and credible;

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing the Qualifications in the audit report, if any;
- Reviewing the adequacy of Cost Audit function;
- Discussing with Cost Auditors any significant findings and follow up on such issues;
- Reviewing the Company’s financial and risk management policies; and
- Examining reasons for substantial default in the payment to Shareholders (in case of non-payment of declared dividends) and creditors, if any
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

**Vigil Mechanism/Whistle Blower Policy:**

In compliance with Section 177 (9) of the Companies Act, 2013 and pursuant to the Listing Regulations, the Board of Directors of the Company have adopted the Vigil Mechanism/Whistle blower Policy for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy. This policy also provides for adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee.

The Company is committed to adhering to the highest standards of ethical, moral and legal conduct of business operations. The Whistle Blower Policy is hosted on the Company’s website at: <https://sparcelectrex.com/wp-content/uploads/2023/02/Whistle-Blower-Policy.pdf>

During the financial year 2022-2023, no cases or complaints under this mechanism were reported in the Company.

**NOMINATION AND REMUNERATION COMMITTEE:**

**Composition, Name of Members and Chairperson:**

Your Company has a duly constituted Nomination and Remuneration Committee and its composition is in line with the requirements of the Act and Listing Regulations.

The Nomination and Remuneration Committee during the year 2022-23 comprised of three members. All are Independent Directors including the Chairman. The Company Secretary acts as the Secretary to the Committee.

During the year under review, the Nomination and Remuneration Committee met One (1) time i.e on (i) April 22, 2022 with necessary quorum being present at the meeting.

The constitution of Committee as on March 31, 2023 and details of attendance of members is as under:

Name of Members	Category	Designation	No. of Meetings Held	Entitlement to Attend	No. of Meetings Attended
Mr. Ashok Patel*	Independent Director	Chairperson	1	0	0
Mrs. Kajal Jain*	Independent Director	Chairperson	1	0	0
Mr. Ravikumar Channappa*	Independent Director	Member	1	1	1
Mr. Niraj Variava	Independent Director	Member	1	1	1
Mrs. Sushmita Lunkad*	Independent Director	Member	1	0	0

**Notes:**

\*The Committee was reconstituted on April 22, 2022 wherein Mr. Ashok Patel was appointed as the Chairperson to the N&R Committee in place of Mrs. Kajal Jain upon her resignation and Mrs. Sushmita Lunkad was appointed as the member of the Audit Committee in place of Mr. Ravikumar Channappa upon his re-designation from Non-executive Director to Executive Director.

During the year under review, the recommendations made by the committee were accepted by the Board.

The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on September 29, 2022.

**The Role of the Nomination and Remuneration Committee:**

The terms of reference of the Committee inter-alia includes:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To formulate criteria for evaluation of performance of Independent Directors and the Board;
- To devise a policy on Board diversity
- To identify and recommend to the Board, in accordance with the criteria as laid down, appointment/reappointment/removal of the Executive /Non- Executive Directors and the senior management of the Company;

- Recommend to the board appointment of key managerial personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this committee).
- Carry out evaluation of every director’s performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors.
- To recommend to the board the remuneration payable to the directors and to oversee the remuneration payable to the executive team or key managerial personnel of the Company.
- To monitor and handle any other matter relating to framing/administration of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 or any amendments thereof;
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.
- Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

#### **Policy for Selection and Appointment of Directors and their Remuneration**

The Board has, in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining the qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. This policy is hosted on Company’s website: <https://sparcelectrex.com/wp-content/uploads/2022/09/Policy-on-Nomination-and-Remuneration-of-Directors-KMPs-Senior-Management.pdf>

Major criteria defined in the policy framed for appointment of and payment of remuneration to the Directors of the Company, are as under:

#### **I. Selection of Directors and Key Managerial Personnel:**

In case of Executive Directors and Key Managerial Personnel, the selection can be made in either of the ways given below:

- By way of recruitment from outside
- From within the Company hierarchy; or
- Upon recommendation by the Chairman or other Directors.

The appointment may be made either to fill up a vacancy caused by retirement, resignation, death or removal of an existing Executive Director or it may be a fresh appointment.

In case of Non-Executive Directors, the selection can be made in either of the ways given below:

- By way of selection from the data bank of Independent Directors maintained by the Government.
- Upon recommendation by Chairman or other Directors.

#### **II. Qualifications, experience and positive attributes of Directors/KMPs:**

While appointing a Director or a KMP, it shall always be ensured that the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company’s business.

#### **III. Board diversity and independence of Directors:**

While making the appointment of directors, the following principles shall be observed by the Board, as far as practicable:

- There shall be a proper mix of Executive and Non-Executive Directors and Independent and Non-independent directors on the Board. The Company shall always be in compliance with the provisions of Section 149 of the Companies Act, 2013 in this regard.
- There shall be a workable mix of directors drawn from various disciplines like technical, finance, commercial, legal, etc.
- While appointing a director to fill in a casual vacancy caused by death, resignation etc. of a director, an effort shall be made, as far as possible, to appoint such a person in his place who has the relevant experience in the fields or disciplines in which the outgoing director had with relevant expertise as requisite to the business of the Company.
- No preference on the basis of gender, religion or cast shall be given while considering the appointment of directors.
- While appointing independent directors, the criteria for the independent directors, as laid down in Section 149 (6) of the Companies Act, 2013 shall be followed.

#### **IV. Remuneration of Directors:**

- Remuneration to Directors is based on various factors like the Company’s size, economic and financial position, Directors’ participation in Board and Committee Meetings and after benchmarking with peer companies. Based on the same and performance evaluation of the concerned director, NRC recommends to the Board, that remuneration be payable to the Directors.
- The remuneration paid to Managing Director and Executive Director(s) includes base salary and variable compensation while remuneration to Independent Directors is based on various factors like committee position, chairmanship, attendance, and participation and performance evaluation.

**V. Criteria of Making Payments to Non-Executive Directors:**

The Non-Executive Directors are entitled to receive remuneration only by way of sitting fees for participation in the Board/Committee meetings within the overall limits prescribed under the Companies Act, 2013 and reimbursement of expenses for participation in Board/Committee meetings. Independent Directors are not entitled to participate in the stock option schemes of the Company.

No other form of remuneration is paid to Non-Executive Directors either by way of commission or otherwise

In terms of Regulation 46 of the SEBI Listing Regulations, the criteria for payment to Non-Executive Directors is available on the website of the Company: <https://sparcelectrex.com/wp-content/uploads/2023/02/Criteria-for-making-payment-to-NED-Sparc.pdf>

**STAKEHOLDERS RELATIONSHIP COMMITTEE:****Composition, Name of Members and Chairperson:**

Your Company has a duly constituted Stakeholders Relationship Committee and its composition is in line with the requirements of the Act and Listing Regulations.

The Stakeholders Relationship Committee during the year 2022-23 comprised of three members. All are Independent Directors including the Chairman. The Company Secretary acts as the Secretary to the Committee.

During the year under review, the Stakeholders Relationship Committee met Four (4) times i.e on (i) April 22, 2022 (ii) August 12, 2022 (iii) November 14, 2022 and on (iv) February 14, 2023 with necessary quorum being present at the meeting.

The constitution of Committee as on March 31, 2023 and details of attendance of members is as under:

Name of Members	Category	Designation	No. of Meetings Held	Entitlement to Attend	No. of Meetings Attended
Mr. Ashok Patel*	Independent Director	Chairperson	4	3	3
Mrs. Kajal Jain*	Independent Director	Chairperson	4	0	0
Mr. Ravikumar Channappa*	Independent Director	Member	4	1	1
Mr. Niraj Variava	Independent Director	Member	4	4	4
Mrs. Sushmita Lunkad*	Independent Director	Member	4	3	3

**Notes:**

\*The Committee was reconstituted on April 22, 2022 wherein Mr. Ashok Patel was appointed as the Chairperson to the Stakeholders Relationship Committee in place of Mrs. Kajal Jain upon her resignation and Mrs. Sushmita Lunkad was appointed as the member of the Audit Committee in place of Mr. Ravikumar Channappa upon his re-designation from Non-executive Director to Executive Director.

The Chairman of the Stakeholders Relationship Committee was present at the Annual General Meeting of the Company held on September 29, 2022.

**The Role of the Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee carries out the role in compliance with Section 178 of the Companies Act, 2013 and the Listing Regulations. The Committee is responsible for resolving investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc. The terms of reference of the Committee inter-alia includes:

- To consider and resolve the grievances of security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, demat/ remat of shares / split / consolidation / sub-division of share / debenture certificates etc.;
- To consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transposition of names, deletion of names etc.;
- To oversee performance of the Registrar and Transfer Agents of the Company and to recommend measures for overall improvement in the quality of investor services.
- To monitor and review any investor complaints received by the Company or through SEBI, SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary, Compliance officer and Registrar and Share Transfer Agent of the Company;
- To carry out any other function as is referred by the Board from time to time and/ or enforced by any statutory notification/amendment or modification as may be applicable;
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

**Investors' Grievance Redressal**

During F.Y. 2022-23 the following complaints were received and resolved to the satisfaction of shareholders.

Particulars	Status
Complaints as on April 1, 2022	Nil
Received during the year	Nil
Resolved during the year	Nil
Pending as on March 31, 2023	Nil

**Details of the Compliance Officer designated for handling the investor grievances:**

Name: Mr. Shobith Hegde

Address: 1202, 12th Floor, Esperanza Building, 198, Linking Road, Next to Bank of Baroda, Bandra West, Mumbai- 400050.

Email id: [sparcelectrex@gmail.com](mailto:sparcelectrex@gmail.com)

**RIGHT ISSUE COMMITTEE:**

**Composition, Name of Members and Chairperson:**

The Board of Directors of the Company constituted Right Issue Committee to decide on various matters concerning the Right Issue of the Company.

The Right Issue Committee during the year 2022-23 comprised of three members, the Chairman being an Independent Director. The Company Secretary acts as the Secretary to the Committee.

During the year under review, the Right Issue Committee met Three (3) times i.e on (i) September 23, 2022 (ii) September 29, 2023 and on (iii) February 14, 2023 with necessary quorum being present at the meeting.

The constitution of Committee as on March 31, 2023 and details of attendance of members is as under:

Name of Members	Category	Designation	No. of Meetings Held	Entitlement to Attend	No. of Meetings Attended
Mr. Ashok Patel	Independent Director	Chairperson	3	3	3
Mr. Niraj Variava	Independent Director	Member	3	3	3
Mr. Shobith Hegde	Executive Director	Member	3	3	3

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Management Discussion and Analysis Report providing a detailed overview of your Company's performance, industry trends, business and risks involved is presented in a separate section forming part of this Annual Report.

As required under the provisions of the Listing Regulations, the Audit Committee of the Company has reviewed the Management Discussion and Analysis report of the Company for the year ended 31<sup>st</sup> March, 2023.

**CORPORATE GOVERNANCE AND ETHICS**

The Company believes in adhering to the best corporate governance practices and emphasizes on fair and transparent governance and disclosure practices which helps the Company to follow the path of its vision and mission. It strongly believes in developing best corporate governance policies and procedures based on principles of fair and transparent disclosures, equity, accountability and responsibility.

Pursuant to Regulation 15 of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, the Company does not fall under the purview of Regulations of Corporate Governance. The provisions of reporting of Corporate Governance as specified in regulation 27(2) is not applicable to the Company, as it does not meet the threshold of paid up share capital of Rs.10 crores and net worth of Rs. 25 crores as on March 31, 2023.

**CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY**

The provisions for Corporate Social Responsibility ("CSR") under Section 135(1) of the Companies Act, 2013, are not applicable to the Company for the current financial year.

**AUDIT AND AUDITORS**

**Statutory Auditor:**

M/s Motilal & Associates (FRN 106584W), Chartered Accountants, have been appointed as Statutory Auditors of the Company at the 31<sup>st</sup> Annual General Meeting held on September 27, 2020, for a term of five consecutive years to hold office from the conclusion of that meeting till the conclusion of the 36<sup>th</sup> Annual General Meeting of the Company to be held in 2025.

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 that 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, has taken away the requirement of seeking ratification of appointment of statutory auditors by members at each Annual General Meeting. Accordingly, no such item will be form a part of notice of the 34<sup>th</sup> AGM.

**Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Statutory Auditor in their Report:**

There are no qualifications, reservations or adverse remarks in the Auditors' Report issued by **M/s Motilal & Associates** (FRN 106584W), Chartered Accountants, Statutory Auditors, for the financial year ended March 31, 2023. The Statutory Auditors have also not reported any incident of fraud to the Audit Committee during the year under review. The remarks made in the Auditors' Report are self-explanatory and do not call for any further comments or explanation from your Directors. Further the Auditors' Report for the financial year ended, 31st March, 2023 is annexed herewith for your kind perusal and information

**Secretarial Auditor:**

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 as the Secretarial Auditor to carry out the Secretarial Audit of the Company's secretarial and related records for the year ended March 31, 2023. The Secretarial Audit Report issued by the Secretarial Auditor in Form No. MR-3 is annexed with this Report.

**Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Secretarial Auditor in their Report:**

M/s. Pankaj Trivedi & Co., Practicing, Company Secretary, in his independent Audit Report for Financial year 2022-23. The report does not contain any major qualification except remarks drawing attention of the management for delay in filing of one form for better corporate governance. The remark made is self-explanatory and do not required any further clarification and management ensure all its efforts for timely filing of all such forms. However present delay was mainly due delay from Bank side and to challenges faced by the Company in filing this form due technical issues in V3 portal.

Secondly on second observation made by the Secretarial Auditors we submit that The company had already intimated to the exchange on 23.11.2021 about the Board meeting to be held on 30.11.2021 for considering such reclassification. Then the Company has announced the approval of such reclassification by Board in its outcome on 30.11.2021. Further the Company has also submitted the notice of Postal Ballot for seeking approval of members for proposed reclassification on 07.12.2021 and result of Postal Ballot on 07.01.2022. So all the necessary information pertaining to reclassification was in public domain only.

The Company has submitted the minutes of Board at the time of filing reclassification application with exchange the through listing module and the company will intimate the exchange about the rejection of an application upon receipt of communication from the exchange the basis of such rejection.

**Internal Auditor:**

Pursuant to the provisions of Section 138 of the Act and the Companies (Accounts) Rules, 2014, during the year under review the Internal Audit of the functions and activities of the Company was undertaken by the Internal Auditors of the Company viz. M/s. Manisha Chandak & Associates.

The Board of Directors of the Company has re-appointed M/s. Manisha Chandak & Associates, Chartered Accountants (FRN: 141890W), to conduct the Internal Audit as per Rule 13 of the Companies (Accounts) Rules, 2014 prescribed under Section 138 of the Act for the FY 2023-24.

**Internal Audit and Adequacy of Internal Controls:**

The scope and authority of the Internal Audit function are defined by the Audit Committee. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The internal audit department monitors and evaluates the efficiency and adequacy of the internal control system in the Company, and its compliance with operating systems, accounting procedures, and policies of the Company. Based on the suggestions of the internal audit function, the management undertakes corrective actions in their respective areas and thereby strengthens the controls.

The Board is of the opinion that the internal audit function and the internal control system existing in the Company is commensurate with the size, scale, complexity and operations of the Company.

**Cost Audit:**

The provisions of Section 148 under the Companies Act, 2013 are not applicable to the Company.

**SUSPENSE ESCROW DEMAT ACCOUNT/UNCLAIMED SHARES ACCOUNT**

The Company has opened a Suspense Escrow Demat Account with Phillip Capital (India) Private Limited pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/6 dated January 25, 2022.

As per the circular for dematerialisation of securities, if the demat request is not received by RTA within 120 days from the date of issuance of Letter of Confirmation (“LOC”), then the RTA shall move such securities to a physical folio named as “Suspense Escrow Account” and issue a consolidated LOC to the Company on monthly basis for the said securities moved to this account. The Company shall then dematerialise these securities in “Suspense Escrow Demat Account” within 7 days of receipt of such LOC from RTA. When any shareholder claims, the Company will transfer the same to his/her demat account by following the procedure as prescribed under the regulations.

In terms of Regulation 39 of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the Demat Suspense Account/Unclaimed shares as on March 31, 2023:

<b>Particulars</b>	<b>No. of Shareholders</b>	<b>No. of Equity shares</b>
Aggregate Number of Shareholders and the outstanding shares in the Suspense Account lying as on April 1, 2022	0	0
Less: Number of Shareholders who approached the Company for transfer of shares from suspense account	0	0
Aggregate number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2023	0	0

During the year, there was no movement of shares in the suspense account. The shares if held in suspense account shall remain frozen till the rightful owners of such shares claim the shares.

**TRANSFER OF INVESTOR EDUCATION AND PROTECTION FUND:**

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

**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 which is available on the website of the Company- <https://sparcelectrex.com/wp-content/uploads/2022/12/Sexual-Harassment-Policy.pdf>. During the year under review, no cases were reported under the said policy during the financial year 2022-2023.

**RELATED PARTY TRANSACTIONS & MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:**

Your Company follows the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm’s length basis as part of its philosophy of adhering to highest ethical standards, transparency and accountability. In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions. During the year under review, the Policy has been amended to incorporate the regulatory amendments in the Listing Regulations. The updated Policy can be accessed on the Company’s website at <https://sparcelectrex.com/wp-content/uploads/2022/09/Policy-on-Related-Party-Transactions.pdf>

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm’s length and in the ordinary course of business. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm’s length basis. Further, the Company has taken prior approval for all the material related party transaction with an aggregate value exceeding Rs. 1000 crore or 10% of the annual consolidated turnover of the Company, as per the latest audited balance sheet, whichever is lower.

The transactions with the related parties as per requirements of Indian Accounting Standard 24 are disclosed in Note 26 to the financial statements in the Annual Report. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, in the prescribed Form AOC-2, is attached as Annexure-2 to the Board’s Report. The details of transaction(s) of the Company with entities belonging to the promoter/promoter group which hold(s) more than 10% shareholding in the Company as required under para A of Schedule V of the Listing Regulations are provided as part of the financial statements.

**CODE OF CONDUCT**

The Board and all senior management personnel of the Company are required to abide by the Code of Conduct as laid down by the Board ensuring minimum standards of Business and ethical Conduct. It also includes the Code for Independent Directors as envisaged in Schedule IV of the Companies Act, 2013. This Code outlines fundamental ethical considerations as well as specific considerations that need to be maintained for professional conduct. This Code has been displayed on the Company’s website at <https://sparcelectrex.com/wp-content/uploads/2022/09/Code-of-Conduct-Senior-Management-.pdf>

A declaration by the Whole Time Director confirming that all the Directors and senior management personnel of the Company have affirmed compliance with Company’s Code of Conduct for the financial year ended March 31, 2023 is annexed at the end of this report.

**CODE FOR PREVENTION OF INSIDER TRADING**

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a comprehensive Code of Conduct to regulate, monitor and report trading by insiders. The said Code lays down the practices and procedures for fair disclosure of unpublished price sensitive information. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. This Code is available on the Company's website at <https://sparcelectrex.com/wp-content/uploads/2022/11/Policy-for-Insider-Trading-Code.pdf>

Pursuant to Regulation 26(5) of the SEBI Listing Regulations, the Senior Management has made periodical disclosures to the Board relating to all material financial and commercial transactions, where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. The same was Nil.

**POLICY FOR PRESERVATION OF DOCUMENTS**

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to which certain documents are to be retained. The company has adopted a policy for preservation of documents and the same is available on the company's website at <https://sparcelectrex.com/wp-content/uploads/2022/11/Archival-Policy-Sparc.pdf>

**RISK MANAGEMENT:**

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner.

Pursuant to section 134(3) (n) of the Companies Act, 2013 and as per provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the Company has adhered to the principles of sound risk management and has a Risk Management Policy in place.

Periodic assessments to identify and evaluate the risk areas are carried out and Management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks, business risk, legal risk and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and actions are taken to manage and mitigate them.

During the period under review, the Company has not identified any element of risk which may threaten the existence of the Company.

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

The prescribed particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo, in terms of the Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as "Annexure IV & V" which forms part of the Board's report.

**PARTICULARS OF EMPLOYEES AND THEIR REMUNERATION:**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in Annexure -III to the Board Report.

During the period under review, none of the employees has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS OF THE LISTING REGULATIONS:**

The Company has implemented all mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In addition to this, the Company has also adopted certain discretionary requirements of Listing Regulations in the manner as stated under the appropriate headings detailed below:

- **Reporting of Internal Auditor:**  
Internal Auditors are invited to the meetings of Audit Committee to make presentation to the Committee on their observations and suggestions during the course of their Internal Audit. The Internal Auditor reports directly to the Audit Committee.
- **Modified Opinion(s) in Audit Report:**  
There is no modified opinion(s) in the Auditors Report for the financial year 2022-23 issued by the Auditors of the Company.
- **Certificate on Non-Disqualification of Directors:**  
A certificate from M/s. Pankaj Trivedi & Co., Practicing Company Secretary, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a Director by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority forms part of this report.

**• Compliance with Corporate Governance Provisions of Listing Regulations:**

Pursuant to Regulation 15 of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, the corporate governance provisions as specified in regulations 17, 17A, 18, 19, 20, 22, 23, 25, 26 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D of Schedule V does not apply, in respect of a listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year. Accordingly, even though the Company does not fall under the purview of Regulations of Corporate Governance still the Company discretionary follows it as a part of good corporate governance.

**RECONCILIATION OF SHARE CAPITAL AUDIT:**

A quarterly audit was conducted by M/s. Pankaj Trivedi & Co., Practicing Company Secretary for reconciling the issued and listed capital of the Company with the aggregate number of equity shares held by investors in physical form and in the depositories i.e National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Audit Report confirms that the total issued/paid-up share 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 and the said certificates were placed before the Board of Directors and were submitted to the stock exchange within the prescribed time limit.

**CERTIFICATE FOR TRANSFER OF SHARES**

Pursuant to Regulation 40(9) of Listing Regulations, certificates on yearly basis have been issued by M/s. Pankaj Trivedi & Co., Practicing Company Secretary, with respect to due compliance of share transfer formalities by the Company. The same has been submitted to the Stock Exchange within the prescribed time limit.

**DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES AND STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGES OR SEBI, OR ANY OTHER STATUTORY AUTHORITIES, ON ANY MATTER RELATED TO CAPITAL MARKETS DURING THE 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 the capital market.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT:**

As the Company is not among top 500 or 1000 Companies by turnover on Stock Exchanges, the disclosure of Report under of Regulation 34(2) of the Listing Regulations is not applicable to the Company for the year under review.

**MAINTENANCE OF COST RECORDS:**

The maintenance of cost records for the services rendered by the Company is not required pursuant to Section 148(1) of the Companies Act, 2013 read with Rule 3 of Companies (Cost Records and Audit) Rules, 2014.

**CREDIT RATINGS:**

During the year under review, the Company has not borrowed any money and hence, disclosure pertaining to utilization of borrowed funds and Credit Rating is not applicable.

**SECRETARIAL STANDARDS:**

During the year under review the Company has complied with all applicable Secretarial Standards issued by Institute of Company Secretaries of India.

**DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016**

During the year under review, there was no application made or proceedings pending in the name of the company under the Insolvency Bankruptcy Code, 2016.

**GENERAL SHAREHOLDER INFORMATION**

**A. GENERAL BODY MEETING:**

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

Financial Year	Type of Meeting	Venue	Day, Date & Time	Special Resolution Passed
2021-2022	33 <sup>rd</sup> AGM	Through Video Conferencing/ Other Audio-Visual Means (Deemed Venue: Registered Office)	Thursday, 29 <sup>th</sup> September, 2022 at 02.00 p.m.	None
2020-2021	32 <sup>nd</sup> AGM		Tuesday, 28 <sup>th</sup> September, 2021 at 03.00 p.m.	None
2019-2020	31 <sup>st</sup> AGM		Sunday, 27 <sup>th</sup> September, 2020 at 11.00 a.m.	None

(b) Extra Ordinary General Meeting held:

During the year under review i.e for Financial Year 2022-2023, no Extra Ordinary General Meeting was held.

However, post the year under review two Extra Ordinary General Meetings were held as follows:

Sr. No.	Day, Date & Time	Resolutions Passed	Venue
1	Saturday, April 22, 2023 at 02.00 p.m.	Considered and approved the issuance of Equity Shares to promoter(s) by way of conversion of existing unsecured loan	Through Video Conferencing/Other
2	Saturday, June 17, 2023 at 02.00 p.m.	Considered and approved the alteration / modification / amendment to Article 32 (Calls on Shares) of the Articles of Association of the Company.	Audio Visual Means (Deemed Venue: Registered Office)

(c) Postal Ballot:

During the period under review, the following resolutions were passed through Postal Ballot on May 28, 2022:

1	Considered and approved Sell of Land/ Plot and Factory Building owned by the Company- Special Resolution
2	Recommendation for approval by members of Company for revision of remuneration of Mr. Shobith Ganesh Hegde (02211021) as Whole Time Director and CFO of the Company- Special Resolution
3	Considered and approved Appointment of Mr. Ashok Patel (08024669) as an Independent Director of the Company- Special Resolution
4	Considered and approved Appointment of Ms. Sushmita Swarup Lunkad (09044848) as an Independent Director of the Company- Special Resolution
5	Considered and approved Change in the Designation of Mr. Ravikumar Byrapatna Channappa (06595061) From Non-Executive Director to Executive Director of the Company- Special Resolution
6	Considered and approved giving Authorization to Board of Directors to Advance any Loan, give any Guarantee or to provide any Security to all such person specified under Section 185 of the Companies Act, 2013 upto an Aggregate Limit of Rs. 25 Crores- Special Resolution
7	Approval of Related Party Transactions with M/s Electrex International Private Limited- Ordinary Resolution
8	Approval of Related Party Transactions with Mrs. Shobha Anant Hegde- Ordinary Resolution
9	Approval of Related Party Transactions with M/s. Electrex Sales & Services- Ordinary Resolution
10	Approval of Related Party Transactions with M/s. Electrex Power Tools Private Limited- Ordinary Resolution

Resolution Nos.	No. of members voted	Total No. Shares voted	Votes In favour		Votes Against		Invalid Votes	
			Members	Votes	Members	Votes	Members	Votes
1	13	2,40,294	12	2,40,292	1	2	-	-
2	13	2,40,294	12	2,40,292	1	2	-	-
3	15	15,66,032	14	15,66,030	1	2	-	-
4	15	15,66,032	14	15,66,030	1	2	-	-
5	15	15,66,032	14	15,66,030	1	2	-	-
6	15	15,66,032	14	15,66,030	1	2	-	-
7	13	2,40,294	12	2,40,292	1	2	-	-
8	13	2,40,294	12	2,40,292	1	2	-	-
9	13	2,40,294	12	2,40,292	1	2	-	-
10	13	2,40,294	12	2,40,292	1	2	-	-

The Board had appointed Mr. Pankaj Trivedi (ICSI Mem No. ACS 15301), Practicing Company Secretary of Pankaj Trivedi & Co. as scrutinizer in its meeting held on April 22, 2022 for conducting aforesaid postal ballot in a fair and transparent manner.

In compliance with provisions of Sections 108, 110 and other applicable provisions of the Act, read with (i) Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended; (ii) Regulation 44 of the Listing Regulations, as amended from time to time and read with (iii) General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 20/2020 dated 5th May, 2020, General Circular No.22/2020 dated 15th June, 2020, General Circular No. 33/2020 dated 28th September, 2020, General Circular No. 39/2020 dated 31st December, 2020, General Circular No. 10/2021 dated 23rd June, 2021, General Circular No. 20/2021 dated 8th December, 2021, General Circular No. 3/2022 dated 5th May, 2022 and General Circular No. 11/2022 dated 28th December, 2022 issued by the Ministry of Corporate Affairs ('MCA Circulars'), and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021, Circular No SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 issued by SEBI, the Company provided only remote e-Voting facility to its Equity Shareholders to enable them to cast their votes electronically instead of submitting the Postal Ballot form.

The Company had engaged the services of Central Depository Services (India) Limited (CDSL) for facilitating remote e-Voting to enable the Members to cast their votes electronically.

In terms of the MCA Circulars, the Company sent the Postal Ballot Notice in electronic form only to those Equity Shareholders whose names appeared in the Register of Members/ List of Beneficial Owners as received from NSDL and Central Depository Services (India) Limited (CDSL) and whose email addresses were available with the Company / Depositories / the Depository Participants / the Company's Registrar and Share Transfer Agent as on the cut-off date.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the respective cut-off dates i.e. April 22, 2022. Members who desired to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-Voting.

- (d) Details of the meeting convened in pursuance of the order passed by the National Company Law Tribunal (NCLT): **Not applicable**

**B. 34<sup>TH</sup> ANNUAL GENERAL MEETING FOR F.Y. 2022-2023:**

Day, Date & Time	Venue	Financial Year	Book Closure Dates
Thursday, 28 <sup>th</sup> September, 2023 at 03.00 p.m.	Through Video Conferencing/Other Audio Visual Means (Deemed Venue: Registered Office)	2022-2023	Thursday, 21 <sup>st</sup> September, 2023 to Thursday, 28 <sup>th</sup> September, 2023 (both days inclusive)

**C. TENTATIVE FINANCIAL CALENDAR (2023-2024)**

Particulars	Period
Financial Year	April 1, 2023 to March 31, 2024
<b>For consideration of Unaudited/Audited Financial Results</b>	
Results for quarter ending June 30, 2023	On or before August 14, 2023
Results for quarter ending September 30, 2023	On or before November 14, 2023
Results for quarter ending December 31, 2023	On or before February 14, 2024
Results for quarter ending March 31, 2024	On or before May 30, 2024
AGM for the year ending March 31, 2024	On or before September 30, 2024

**D. LISTING ON STOCK EXCHANGE**

Name of Stock Exchange where Equity Shares are Listed	Bombay Stock Exchange
Address of Stock Exchange	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001
Scrip Code	531370
ISIN Number	INE960B01015

The Equity Shares of the Company continue to be listed and traded on the BSE Limited. The Annual Listing fee for the year 2023-24 has been paid to the Stock Exchange. There was no suspension on shares of the Company during the year.

**PP ISIN- IN9960B01013 and RE ISIN: INE960B20015**

During the year under review, the Company was allotted PP ISIN- IN9960B01013 and RE ISIN: INE960B20015. These ISIN were allotted by NSDL and CDSL on January 25, 2023 on temporary basis for the purpose of procedural aspects of Right Issue.

On issue, the Rights Equity Shares were credited to a temporary RE ISIN which was frozen until the receipt of the final listing/trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares were debited from RE ISIN and was credited to the new PP ISIN which was then available for trading. Thereafter, the temporary RE ISIN was permanently deactivated in the depository system of CDSL and NSDL.

On June 20, 2023, the Company decided to make first and final call on the partly paid right equity shares, for which the PP ISIN was suspended for trading by BSE Limited from June 30, 2023. On the payment of first and final call money, the partly paid shares under the PP ISIN shall be converted into fully paid-up equity shares which shall be then be tradable under the existing ISIN- INE960B01015.

**E. REGISTRAR AND SHARE TRANSFER AGENT (RTA):**

**Universal Capital Securities Pvt. Ltd,**  
**(100% subsidiary of Link Intime India Pvt. Ltd)**  
 C-101, First Floor, 247 Park, Lal Bahadur Shastri Marg,  
 Vikhroli (West), Mumbai- 400083  
 Tel No: 022-28207203-05, 28257641  
 Fax: 022-28207207  
 Email: [mangesh@unisec.in](mailto:mangesh@unisec.in) | [info@unisec.in](mailto:info@unisec.in)  
 Website: [www.unisec.in](http://www.unisec.in)

**F. USEFUL INFORMATION FOR SHAREHOLDERS:**

- **Share Transfer System**

The Board of Directors have delegated the power of dealing with the transfer, transmission of shares and other matters like consolidation of share certificates, issue of duplicate share certificates, dematerialization/rematerialization of shares, to Registrar & Share Transfer Agents (R&T Agent) of the Company. All the matters are dealt by and processed by the R&T Agent regularly and is approved by the Stakeholders Relationship Committee of the Company or the authorized signatories of the Company.

The Company obtains from a Company Secretary in practice yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the BSE.

As per SEBI norms, all requests for transfer of securities including transmission or transposition shall be processed only in dematerialised form.

Shareholders may please note that the SEBI by its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated 25<sup>th</sup> January, 2022 has mandated listed companies to issue securities in demat form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition.

Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4 (Form for various service requests), format of which is available on the weblink of the Company at <https://sparcelectrex.com/wp-content/uploads/2022/07/Form-ISR-4.pdf>

Shareholders holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat / electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares / issuance of equity shares in physical form have been disallowed by SEBI.

Holding securities in dematerialized form is beneficial to the investors in the following manner:

- ✓ A safe and convenient way to hold securities;
- ✓ Elimination of risk(s) associated with physical certificates such as bad delivery, fake securities, delays, thefts, etc.;
- ✓ Immediate transfer of securities;
- ✓ No stamp duty on electronic transfer of securities;
- ✓ Reduction in transaction cost;
- ✓ Reduction in paperwork involved in transfer of securities;
- ✓ No odd lot problem, even one share can be traded;
- ✓ Availability of nomination facility;
- ✓ Ease in effecting change of address / bank account details as change with Depository Participants (DPs) gets registered with all companies in which investor holds securities electronically;
- ✓ Easier transmission of securities as the same is done by DPs for all securities in demat account;
- ✓ Automatic credit in to demat account of shares, arising out of bonus / split / consolidation / merger / etc.;
- ✓ Convenient method of consolidation of folios/accounts;
- ✓ Holding investments in Equity, Debt Instruments, Government securities, Mutual Fund Units etc. in a single account;
- ✓ Ease of pledging of securities; and
- ✓ Ease in monitoring of portfolio.

- **Common and Simplified Norms for Investor Service Request**

As an on-going measure to enhance ease of doing business for investors in the securities market, SEBI, by Circular Nos. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated 3rd November, 2021; SEBI/HO/ MIRSD/MIRSD\_RTAMB/P/ CIR/2021/687 dated 14th December, 2021 and SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 16th March, 2023 has prescribed common and simplified norms for processing investor's service request by Registrar and Transfer Agents ("RTA") and norms for furnishing PAN, KYC details and Nomination. Shareholders are requested to go through the communication available on the weblink of the Company at <https://sparcelectrex.com/miscellaneous/> relating to the same. The Company has also sent out intimations to shareholders in this regard.

- **Nomination**

As per the provisions of Section 72 of the Act, facility for making nomination(s) is available to Individuals holding shares in the Company. Shareholders holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA viz. Universal Capital Securities Private Limited or download the same from the Company's website through the weblink at <https://sparcelectrex.com/wp-content/uploads/2022/07/Form-SH-13-Registration-of-nomiantion.pdf>. Shareholders holding shares in demat mode should file their nomination with their Depository Participant ("DPs") for availing this facility.

• **Permanent Account Number**

It is mandatory for all holders of physical shares to furnish PAN, nomination, contact details, bank A/c details and specimen signature for their corresponding folio numbers. Shareholders holding shares in electronic form are, therefore, requested to submit the PAN with their DPs with whom they are maintaining their demat accounts. Shareholders holding shares in physical form are requested to submit their PAN details to the Company or its RTA.

• **Intimate/ Update Contact Details**

Shareholders are requested to intimate / update changes, if any, pertaining to their PAN, postal address, e-mail address, telephone / mobile numbers, with necessary documentary evidence, to the Company or its RTA, in Form ISR-1, if shares are held in physical mode or to their DP, if the holding is in electronic mode. The said form ISR-1 for change / update of details, form ISR-2 for bankers attestation of signature in case of major mismatch and form ISR-3 for declaration for opting out of nomination are available for download from the weblink at <https://sparcelectrex.com/miscellaneous/>

• **Freezing of folios without PAN, KYC details and Nomination**

Folios wherein any one of the documents / details viz. PAN, KYC details and nomination are not available on or after 1st October, 2023, shall be frozen by Universal Capital Securities Private Limited/ the Company in terms of the aforementioned SEBI Circulars. The frozen folios will be referred by the Company or its RTA to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on 31st December, 2025.

• **Dividend Payment:**

No dividend has been declared or paid by the Company during the year. Also no dividend was declared or paid in the last 10 years.

• **Transfer of Unclaimed/ Unpaid Dividend / Share Certificate to Investor Education and Protection Fund (‘the IEPF’):**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend which is transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company along with interest accrued, if any to the Investor Education and Protection Fund (‘the IEPF’), a fund established under sub-section (1) of section 125.

**Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years.**

In terms of the provisions of Section 124 of the Act, provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and other applicable provisions, all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (‘IEPF’) established by the Central Government, after completion of seven years from the date the dividend is transferred to unpaid/unclaimed account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

The Company was not required to transfer any funds or shares to the Investor Education and Protection Fund for the year under review.

**G. 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 31<sup>st</sup> March, 2023 are as follows:

Mode	No. of Shares	% Shares
Physical Form	9,70,300	19.25%
With NSDL	27,03,169	53.63%
With CDSL	12,15,531	24.12%
<b>Total</b>	<b>48,89,000</b>	<b>97.00%</b>

Note: 1,51,000 equity shares had been forfeited by the company in F.Y. 2000-01. Those shares have not been re-issued or cancelled by company till date.

**H. MARKET PRICE DATA:**

The monthly ‘high’ and ‘low’ closing prices of the shares traded during the year 2022-23 on BSE is given below:

Month	High Price	Low Price	Close Price	No. of Shares
Apr-22	13.19	13.19	13.19	15,130
May-22	13.84	13.19	13.84	11,609
Jun-22	20.42	13.84	20.42	4,235

Jul-22	33.20	21.40	33.20	5,43,005
Aug-22	47.55	34.60	42.05	2,31,713
Sep-22	44.90	32.65	37.45	2,77,754
Oct-22	41.40	22.25	23.05	2,15,903
Nov-22	24.20	18.95	19.25	3,02,180
Dec-22	23.00	17.55	20.25	2,90,599
Jan-23	31.50	19.55	28.25	5,35,557
Feb-23	31.85	19.05	20.15	3,86,071
Mar-23	20.50	16.75	18.24	3,11,021

**I. SHAREHOLDING PATTERN OF THE COMPANY AS ON 31<sup>ST</sup> MARCH, 2023**

Category	No. of Shares held	% of Shareholding
<b>A. Promoter's Holding</b>		
<b>1. Promoters</b>		
- Indian Promoters	13,25,742	27.12%
- Foreign Promoters	0	0.00%
<b>2. Persons acting in concert</b>	0	0.00%
<b>Sub - Total (A)</b>	<b>13,25,742</b>	<b>27.12%</b>
<b>B. Non-Promoter's Holding</b>		
<b>1. Institutional Investors</b>	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%
<b>C. FII's</b>	<b>0</b>	<b>0.00%</b>
<b>Sub - Total (B)</b>	<b>40,400</b>	<b>0.83%</b>
<b>2. Other Non - Institutional Investors</b>	0	0.00%
a) Private Corporate Bodies / LLPs	84,443	1.73%
b) HUF	1,04,583	2.14%
c) Indian Public	30,85,096	63.09%
d) NRI's	2,45,984	5.03%
e) Clearing Members	2,752	0.06%
<b>Sub-Total (C)</b>	<b>35,22,858</b>	<b>72.05%</b>
<b>Grand Total (A+B+C)</b>	<b>48,89,000</b>	<b>100.00%</b>

**J. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2023**

No. of Shares held	No. of Shareholders	% to total Shareholders	Total Shares	% to total Shares
Up to 500	2829	73.39%	490750	10.04%
501 - 1000	639	16.58%	575001	11.76%
1001-2000	204	5.29%	323268	6.61%
2001-3000	53	1.37%	139280	2.85%
3001-4000	19	0.49%	65923	1.35%
4001-5000	25	0.65%	118315	2.42%
5001-10000	39	1.01%	313231	6.41%
10,000 and above	47	1.22%	2863232	58.56%
<b>TOTAL</b>	<b>3855</b>	<b>100%</b>	<b>4889000</b>	<b>100%</b>

**K. 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.

**Intimation to Stock Exchange** - Your Company believes that all the stakeholders should have access to adequate information about the Company. All information, which could have a material bearing on the share prices, is released at the earliest to the BSE in accordance with the requirements of listing agreement.

**Newspapers Publications** - The Financial Results and other Communications of the Company were normally published in English and Marathi daily widely circulated in the state of Maharashtra.

**Company's Website** - The Financial Results was also displayed on the Company's website [www.sparcelectrex.com](http://www.sparcelectrex.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.

**L. DISCLOSURES:**

- The Company has not accepted any fixed deposits during the year under review and accordingly, no amount on account of principal or interest on deposits from public and/or Members were outstanding as at March 31, 2023.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.
- During the year under review, the Company has not issued any Debentures.
- No material changes have taken place that could have an impact on the financial position of the Company from the date of closure of financial year under review till the date of signing of Accounts.
- There is no change in the nature of business of the Company.
- Maintenance of cost records and requirement of cost Audit as prescribed under the provisions of Section 148(1) of the Act are not applicable to the business activities carried out by the Company.
- There are no shares in the demat suspense account/ unclaimed suspense account at the beginning and at the end of the financial year.
- 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.

**M. CAUTIONARY STATEMENT:**

Certain statements in this report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to successfully implement our strategy and our growth and expansion plans, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, changes in the laws and regulations that apply to the industry in which the Company operates.

**N. ACKNOWLEDGEMENT:**

Your Board of Directors would like to express its gratitude and its appreciation for the continued valuable support and cooperation provided to your Company by its Members, and in particular the customers, regulatory authorities and its banks and financial institutions. Your Directors would also like to place on record its sincere appreciation for the efforts put in by the Management and the employees of the Company.

**REGISTERED OFFICE****Sparc Electrex Limited**

CIN: L31100MH1989PLC053467  
1202, Esperanza Building, 198, Linking Road,  
Next to Bank of Baroda, Bandra West, Mumbai- 400050  
☎: 9819001811 | ✉: [sparcelectrex@gmail.com](mailto:sparcelectrex@gmail.com)  
Website: [www.sparcelectrex.com](http://www.sparcelectrex.com)

**For and on behalf of the Board of Sparc Electrex Ltd**

Sd/-  
**Shobith Ganesh Hegde**  
**(Whole Time Director)**  
**DIN: 02211021**  
**Mumbai, August 12, 2023**

Sd/-  
**Suresh Vishwanathan**  
**(Director)**  
**DIN: 02310679**  
**Mumbai, August 12, 2023**

**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 Electrex Limited  
Mumbai

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 Electrex Limited (Formerly Known as Sparc Systems Limited) bearing CIN: L31100MH1989PLC053467 (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 31<sup>st</sup> March, 2023, 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:

I have examined the books, papers; minutes' books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - (iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period);**
  - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period);**
  - (vi) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit period);**
  - (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period);**
  - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period);**

We have been informed by the management of the Company that the Company meticulously follows the provisions of other applicable laws pertaining to the industry to which the Company relates and has devised requisite systems for their desired compliance.

- i. Maharashtra state Tax on Professions, Trades, Callings and Employments Act 1975;
- ii. Shop and Establishment Act, 1948

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 (LODR) 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. In terms of Section 77(1) of the Companies' Act, 2013 the Company was required to file CHG-1 within 30 days of instrument creating or modifying charge. However the Company has filed form CHG-1 on 3<sup>rd</sup> May, 2023 for creation of charge beyond 30 days with late fees for instrument creating charge dated 30<sup>th</sup> March, 2023.
2. The Company was required to intimate to the exchange under regulation Reg 31A(8) (b), (c) and (d) as an update w.r.t minutes of Board meeting considering application received from promoter seeking re-classification and view of Board on that, status and update of submission of an application made by the Company under Regulation 31 of Listing Regulations to the exchange and decision of the Stock exchange as communicated to the Company.

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 followings were the major specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

During the year under review the Company had resolved to raise money upto Rs.30 crores by way of offering new equity shares to its existing shareholders on rights basis and in connection with the same the Company has submitted the Draft Offer Letter and Final Offer Letter with Exchange and SEBI and the exchange after scrutiny has granted the In-principle approval vide its E-letter DCS/RIGHT/KK/FIP/2902/2022-23 dated 9<sup>th</sup> December, 2022 to the Company.

In furtherance to said approval the Company in its Board / committee meeting dated February 14, 2023 resolved to issue and allot 1,46,67,000 partly paid-up equity shares of face value of Rs. 10/- each at an issue price of Rs.19/- per share (Incl. premium of Rs.9/- per Share) aggregating to offer size of Rs.27,86,73,000/- to all the eligible equity shareholders of the Company on a rights basis in the ratio of 3 (Three) Right Shares for every 1 (One) equity shares held by such eligible equity Shareholders as on record date February 28, 2023. The Issue was opened on March 14, 2023 and closed on April 12, 2023.

I, further report that during the year under review the Company had sold N.A. land/plot located at Pundhe, Shahapur, admeasuring 485 sq. mtr, along with Factory building constructed therein about 241.8266 Sq. mtr to M/s. Avenue 2 Revenue Services LLP for total consideration of '49.50 lacs which was a highest proposal received by the Company (No valuation report was taken). The above property was sold with the reason that property was purchased by old management more than 30 year back and it now in dilapidated conditions and far away from the present registered office of the Company. The new management has taken the approval of the members in connection with the same of this property through special resolution passed by way of postal ballot on 28<sup>th</sup> May, 2022.

I, further report that, the reclassification application made by the Company for its ex-promoters under Regulation 31A of Listing Regulations, 2015 dated 03.02.2022 has been rejected by the exchange (BSE) during the year under review. It was explained by the management to me that the, exchange has rejected the application for reclassification made by the Company inspite of the suitable reply given by the Company on queries raised by the exchange on application submitted and Company has asked for specific reason to the exchange vide an email dated 1<sup>st</sup> December, 2022 but no reply was given by the exchange on the same.

I further report that during the audit period, there were no instances of:

- Redemption/buy-back of securities.
- Issue of Bonus shares / payment of dividend
- Merger/ amalgamation/ reconstruction etc.
- Foreign technical collaborations.

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

**For Pankaj Trivedi & Co.,  
(Company Secretary in Practice)  
UDIN: A030512E000795067  
FRN: S2016MH374500**

**Sd/-  
Pankaj Trivedi  
(Proprietor)  
CP No. 15301  
Place: Mumbai  
Dated: August 12, 2023**

**ANNEXURE I**  
**TO THE SECRETARIAL AUDIT REPORT**

To  
The Members,  
M/s. Sparc Electrex Limited  
Mumbai

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

**Management's Responsibility**

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

**Auditor's Responsibility**

- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
- 3) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
- 5) The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

**Disclaimer**

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

**For Pankaj Trivedi & Co.,**  
**(Company Secretary in Practice)**  
**UDIN: A030512E000795067**  
**FRN: S2016MH374500**

Sd/-  
Pankaj Trivedi  
(Proprietor)  
CP No. 15301  
Place: Mumbai  
Dated: August 12, 2023

**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:**

Sr. No.	Particulars	Remarks
(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/arrangements/transactions	NIL
(c)	Duration of the contracts / arrangements/transactions	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
(e)	Justification for entering into such contracts or arrangements or transactions	NIL
(f)	Date(s) of approval by the Board	NIL
(g)	Amount paid as advances, if any	NIL
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	NIL

**2. Details of material contracts or arrangement or transactions at arm's length basis: (Rupees in lakhs)**

Sr. No.	Name (s) of the related parties	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements / transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Electrex International Pvt Limited	Promoter Group	Sale of goods and services	2022-23	Rs. 112.65	22.04.2022	-
			Loans and Advances taken	2022-23	Rs. 60.15	22.04.2022	-
			Loans and advances taken that are repaid	2022-23	Rs. 56.67	22.04.2022	-
			Others (Expenses paid by Company)	2022-23	-	-	-
			Purchase of Goods and Services	2022-23	Rs. 4.40	22.04.2022	-
2	Tejashri Kulkarni	Company Secretary	Remuneration	2022-23	Rs. 1.80	22.04.2022	-
3	Adya Hegde	Director's Relative	Loan Taken	2022-23	Rs. 9.50	-	-
4	Arya Hegde	Director's Relative	Loan Taken	2022-23	Rs. 16.59	-	-
5	Ravi Kumar	Director	Loan Taken and repaid	2022-23	Rs. 2.35	-	-
6	Ace Power Tools Pvt Ltd	Promoters Group	Loan Taken	2022-23	Rs. 1.00	-	-
7	Electrex Sale & Service	Promoters Group	Advance for Goods	2022-23	Rs. 9.00	-	-

Note: All the above transactions are done at arm's length basis in ordinary course of business and not a material transaction /contact in nature, disclosure here voluntary for information of stakeholders.

**REGISTERED OFFICE**

**Sparc Electrex Limited**

CIN: L31100MH1989PLC053467  
1202, Esperanza Building, 198, Linking Road,  
Next to Bank of Baroda, Bandra West, Mumbai- 400050  
☎: 9819001811 | ✉: [sparcelectrex@gmail.com](mailto:sparcelectrex@gmail.com)  
Website: [www.sparcelectrex.com](http://www.sparcelectrex.com)

**For and on behalf of the Board of Sparc Electrex Ltd**

Sd/-  
**Shobith Ganesh Hegde**  
**(Whole Time Director)**  
**DIN: 02211021**  
**Mumbai, August 12, 2023**

Sd/-  
**Suresh Vishwanathan**  
**(Director)**  
**DIN: 02310679**  
**Mumbai, August 12, 2023**

**Details of the Remuneration as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:**

In terms of provision of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures as required i.e the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-2023, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-2023 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 (Amt in '000)	% Increase in the year ended 2022-2023	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Shobith Hegde (Whole-time Director and CFO)	-	Nil	Nil
2	Mr. Suresh Vishwanathan (Executive Director)	-	Nil	Nil
3	Mr. Ravikumar Channappa (Executive Director)	-	Nil	Nil
4	Mr. Ashok Chhaganbhai Patel ^ (Independent Director)	-	Nil	Nil
5	Mrs. Kajal Jain # (Independent Director)	-	Nil	Nil
6	Mrs. Sushmita Swarup Lunkad ^ (Independent Director)	-	Nil	Nil
7	Mr. Niraj Hareshbhai Variava (Independent Director)	-	Nil	Nil
8	Ms. Tejashri Dattakumar Kulkarni (CS & Compliance Officer)	180000	Nil	1

Notes: # Resigned w.e.f. 21.04.2022, ^ Appointed w.e.f 22.04.2022

- The Company had total 6 employees during the year under review. None of them was permanent except Company Secretary. Majority of the employees had work only during the part of the year.
- The median remuneration of employees of the Company during the financial year 2022-23 was '180.00
- In the financial year 2022-23, there was an increase of NIL% in the median remuneration of employees.
- As on March 31, 2023, there were no permanent employees who were on the roll of the Company except KMPs and Directors.
- The PAT (Profit after tax) is '69.65 lacs against 211.75 lacs in previous year which was almost 2.04 times lesser. The Company has not paid any remuneration to any Director and there was Nil % of increase in payment of remuneration to its Directors and KMP during F.Y. 2022-23;
- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company (i.e. Remuneration of KMP for the year is '1.80 lacks as compared to '1.41 lacks in previous year paid for part of the year) The overall total remuneration of the Key Managerial Personnel(s) was remained same in 2022-23; The PAT (Profit after tax) is '69.65 lacs against 211.75 lacs in previous year which was almost 2.04 times lesser

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. 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.

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**For and on behalf of the Board of Sparc Electrex Ltd**

Sd/-  
**Shobith Ganesh Hegde**  
**(Whole Time Director)**  
**DIN: 02211021**  
**Mumbai, August 12, 2023**

Sd/-  
**Suresh Vishwanathan**  
**(Director)**  
**DIN: 02310679**  
**Mumbai, August 12, 2023**

**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 substitution: NIL
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): N.A.
- iv. The details of technology imported: N.A.
- v. The year of import: N.A.
- vi. Whether the technology has been fully absorbed: N.A.
- vii. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.
- viii. The expenditure incurred on Research and Development: NIL

**C. Foreign exchange Earnings and Outgo:**

- i. Foreign Exchange earnings in terms of Actual inflows during the year: NIL
- ii. Foreign Exchange outgo in terms of Actual Outflows during the year: NIL

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**For and on behalf of the Board of Sparc Electrex Ltd**

Sd/-  
**Shobith Ganesh Hegde**  
**(Whole Time Director)**  
**DIN: 02211021**  
**Mumbai, August 12, 2023**

Sd/-  
**Suresh Vishwanathan**  
**(Director)**  
**DIN: 02310679**  
**Mumbai, August 12, 2023**

**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 Electrex Limited**  
 Mumbai

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Sparc Electrex Limited (Formerly Known as Sparc Systems Limited) having CIN L31100MH1989PLC053467 having registered office at 1202, 12th Floor, Esperanza Building, Next to Bank of Baroda, 198, Linking Road, Bandra (West), Mumbai- 400050, Maharashtra, India 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 31<sup>st</sup> March, 2023 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.

Sr. No.	DIN	Name of Director(s)	Date of Appointment in Company
1	02211021	Shobith Ganesh Hegde	19/10/2021
2	02310679	Suresh Vishwanathan	30/11/2021
3	06595061	Ravikumar Byrapatna Channappa	27/06/2020
4	08024669	Ashok Chhaganbhai Patel	22/04/2022
5	09044848	Sushmita Swarup Lunkad	22/04/2022
6	09197068	Niraj Hareshbhai Variava	08/06/2021

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)**  
**UDIN: A030512E000795078**  
**FRN: S2016MH374500**

Sd/-  
**Pankaj Trivedi**  
**(Proprietor)**  
**CP No. 15301**  
**Place: Mumbai**  
**Dated: August 12, 2023**

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## **BUSINESS OVERVIEW:**

Our Company was originally incorporated under the provisions of The Companies Act, 1956 as 'Sparc Systems Private Limited' on September 14, 1989, with the Registrar of Companies, Maharashtra. In the Financial Year 1994, the Company was converted from Private Limited Company into a Public Limited Company vide Extra-Ordinary General Meeting held on December 03, 1994, and in pursuance of which the private word had been deleted from the name of our Company, effecting the name change to 'Sparc Systems Limited', and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Maharashtra on January 18, 1994. Sparc Systems Limited was engaged in the business of Software and Hardware Electronic Security Solutions. Its Equity Shares got listed on January 22, 1996, with BSE.

During the FY 2021-22, Mrs. Shobha Anant Hegde, M/s. Electrex International Pvt Ltd and M/s. Electrex Power Tools Pvt Ltd (hereinafter collectively referred to as "Acquirers") acquired 13,25,738 equity shares of face value of Rs. 10/- each fully paid of the company aggregating to 27.12% of total share capital, vide an open offer made in compliance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011. After the said acquisition, the erstwhile promoters ceased to be promoters of the company and Mrs. Shobha Anant Hegde, M/s. Electrex International Pvt Ltd and M/s. Electrex Power Tools Pvt Ltd became the new promoters of the Company.

With the change in management, the Company changed its line of business from dealing in Software and Hardware Electronic Security Solutions i.e. office automation tools to Manufacturing and Trading in Power Tools, Electricals, Metals and Metal Products. The said change in the nature of business was approved by the shareholders through Postal ballot on November 29, 2021.

Consequent to change in the business activities and in order to keep the name of the Company in consonance with the new business activities, the Company changed its name from "Sparc Systems Limited" to its present name "Sparc Electrex Limited". The said change of name was approved by shareholders through Postal ballot on November 29, 2021 and a fresh certificate of incorporation dated January 13, 2022, consequent on such change of name was issued to our Company by the Registrar of Companies, Maharashtra.

## **INDUSTRY STRUCTURE AND DEVELOPMENT**

The infrastructure sector is growing rapidly, especially in emerging economies such as China, India, South Africa and Brazil. According to India Brand Equity Foundation (IBEF), India is expected to become third largest construction market globally by 2023. Infrastructural development projects include projects dealing with the development of roads, railways, airports, energy, utilities, commercial and residential buildings. Rapid infrastructure development will lead to increased demand for various power tools such as electric drill machine, hammer drill, impact driver, electric screwdriver and many more. Power Tools are highly adopted by industries such as construction, aerospace, automotive, shipbuilding and energy. Homeowners also utilize them for various residential applications. These factors are expected to propel the Indian Power Tools market growth over the forecast period. The global Indian Power Tools market is expected to reach a market valuation of US\$ 13306.41 million by 2032.

## **OUTLOOK ON OPPORTUNITIES:**

The Management believes that the power tool market is expected to develop due to country's booming industrial sector. The Indian economy has expanded drastically in recent years and is projected to continue growing strongly over the next few years due to increasing FDI equity inflows in automotive, construction, medicines, pharmaceuticals and other sectors. In addition, the Government has taken several aggressive measures, such as the Make in India campaign which is likely to fuel the expansion of the power tool market in India during the coming years.

The company is taking all efforts to improve its sales and to improve the quality of its products to get more orders at competitive rates. The Company has managed a to strike a deal with Hyundai Corporation Holdings Co., Ltd, Korea, wherein the Company has entered into an Exclusive Trademark License Agreement which will help the Company for developing, producing, sourcing, selling, marketing and distributing the Power Tools and other related auxiliary activities in India under the brand HYUNDAI. Now our Company will be able to launch a variety of Power Tools like Drills, Impact Drills, Rotary and Demolition Hammers, Cutters, Angle Grinders, Circular Saws, Planer, Jigsaw, Chop Saw, Miter and Table Saw, High Pressure Washers, Industrial Vacuum Cleaners, Abrasives, Cutting and Grinding Wheels, Saw Blades, Drill Bits etc under "HYUNDAI" brand. The agreement will help the Company to face its competitors aggressively and will help the Company in achieving higher sales and better margin in the future. Barring unforeseen circumstances, the company is confident of achieving better results in the coming year.

## **OUTLOOK ON THREATS, RISKS AND CONCERNS:**

The expansion of the power tool market in India is anticipated to be hampered by the increasing competition from Chinese imports. Due to their competitive prices, industrial tools made in China have a sizable part of the Indian market. Increase in the power tools market in India is also anticipated to be slowed by the ever-changing costs of key inputs. Power tools are made from various materials such as steel, wrought iron, copper, plastic and more. The market value of these resources is highly sensitive to changes in the cost of these components.

Infrastructure sector performance is closely linked to economic recovery and its monetary policies. The Reserve Bank of India has so far maintained accommodative stance as it tries to support economic recovery. However, going ahead we expect to see monetary tightening as the central bank tries to control inflation in the country.

The sector is heavily dependent on manual labour. During the pandemic, the sector was badly hit due to labour availability issues. Hence, there is a need for development of technologically less labour intensive alternative methods of construction. The sector is also a highly regulated sector and any unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector. Retrospective policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector.

#### **INTERNAL CONTROL SYSTEMS AND ADEQUACY:**

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. The scope of the Internal Audit is decided by the Audit Committee and the Board. To maintain its objectivity and independence, the Board has appointed an Internal Auditor, which reports to the Audit Committee of the Board on a periodic basis.

The Internal Auditor monitors and evaluates the efficacy and adequacy of Internal control Systems in the Company, its compliance with operating systems, accounting procedures and policies for various functions of the Company. Based on the report of Internal Auditor, management undertakes corrective action wherever required and thereby strengthens the control further.

The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

#### **SEGMENT-WISE PERFORMANCE:**

The Company operates in two segments which comprises of Manufacturing of Electrical Tools & Service and Trading. During the year, the revenue from operations amounted Rs. 484.80 Lakhs.

#### **FINANCIAL PERFORMANCE:**

During the financial year 2022-23, the total revenue on standalone basis decreased to Rs. 525.83 lakhs as against Rs. 1507.32 lakhs in the previous year with a decline of 65.11%. The Profit after tax (PAT) for the current year is Rs. 69.65 lakhs as against Rs. 211.76 lakhs in the previous year, a decrease of 67.11 %.

The management of the Company is very optimistic regarding performance of the Company in future and are taking effective steps to improve the performance of the Company through growth in revenue, managing cost, strategic marketing, increasing brand awareness and brand equity through advertisement campaign. The company has been focusing on strengthening its foothold and up scaling its capabilities to undertake opportunities arising in the sector.

#### **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 are entitled to receive 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 reports to the Board and Audit committee.

#### **HUMAN RESOURCES:**

Your Company firmly believes that its human resources are the key enablers for the growth of the Company and are an important asset. Hence, the success of the Company is closely aligned to the goals of the human resources of the Company. Employee relations during the period under review continued to be healthy, cordial and harmonious at all levels and your Company is committed to maintain good relations with the employees

#### **KEY FINANCIAL RATIOS:**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the Company is required to give details of significant changes (changes of 25% or more as compared to immediately previous financial year) in financial ratios are as follows:

Sr. No.	Ratios	F.Y. 2022-23	F.Y. 2021-22	% Change	Numerator	Denominator
1	Current Ratio	1.22	1.11	9.59%	Sum of Current Assets	Sum of Current Liabilities
2	Debt-Equity Ratio	0.59	0.61	-3.22%	Sum of Borrowings	Sum of Shareholders Fund
3	Debt Service Coverage Ratio	NA	NA	NA	Profit after tax but before Depreciation and interest	Sum of Interest & repayment of Debt as per Cash Flow
4	Return on Equity Ratio	1.40	4.26	-67.11%	Profit after tax	Sum of Shareholders Fund
5	Inventory Turnover Ratio	3.26	21.98	-85.17%	Turnover	Sum of Inventory
6	Trade Receivables Turnover Ratio	1.33	7.75	-82.86%	Turnover	Sum of Trade Receivables
7	Trade Payables Turnover Ratio	2.05	7.85	-73.86%	Purchase	Sum of Trade Payable
8	Net Capital Turnover Ratio	1.14	3.70	-69.17%	Turnover	Sum of Shareholders Fund
9	Net Profit Ratio	0.14	0.16	-10.80%	Profit after tax	Turnover
10	Return on Capital Employed	0.12	0.39	-70.29%	EBIT	Sum of Shareholders Fund and Sum of Borrowings
11	Return on Investment	0.10	0.37	-72.16%	Profit after tax	Sum of Shareholders Fund and Sum of Long Term Borrowings

**CAUTIONARY STATEMENT:**

The above Management Discussion and Analysis contains certain forward-looking statements within the meaning of applicable security laws and regulations. These pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties, regarding a fluctuation in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulation etc. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future or update any forward-looking statements made from time to time on behalf of the Company.

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**For and on behalf of the Board of Sparc Electrex Ltd**

Sd/-  
**Shobith Ganesh Hegde**  
**(Whole Time Director)**  
**DIN: 02211021**  
**Mumbai, August 12, 2023**

Sd/-  
**Suresh Vishwanathan**  
**(Director)**  
**DIN: 02310679**  
**Mumbai, August 12, 2023**

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
Sparc Electrex Limited  
(Formerly Known as Sparc Systems Limited)  
Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of SPARC ELECTREX LIMITED (Formerly Known as Sparc Systems Limited) ("the Company"), which comprise the balance sheet as at 31st March 2023, 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, 2023, and profit, 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.

### **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. We have determined that there are no Key audit matters to communicate in this report.

### **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, legal documents and confirmation reports submitted to us and critically assessing management's evaluation through discussions with management on the said transaction.

### **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.

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 LLP  
(Formerly Known as Motilal & Associates)  
Chartered Accountants  
ICAI FRN: 106584W/W100751**

**Sd/-  
CA Rishabh M. Jain  
(Partner)  
Mem. No. 179547  
Place: Mumbai  
Date: 25/05/2023  
UDIN: 23179547BGXNJF7525**

**ANNEXURE A TO THE AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SPARC ELECTREX LIMITED (Formerly Known as Sparc Systems Limited) of even date)

- (i)
    - a) (A) According to information and explanation given to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
    - (B) According to information and explanation given to us, the company is not having any intangible assets hence provisions of the clause 3(i)(a)(B) of the order is not applicable for the Company;
    - b) These Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed during verification of PPE.
    - c) The title deeds of all the immovable property disclosed in the financial statements is held in the name of the company.
    - d) The company has not revalued its Property, Plant and Equipment during the year and, hence provisions of the clause 3(i)(d) of the order is not applicable for the Company;
    - e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, hence provisions of the clause 3(i)(e) of the order is not applicable to the Company.
  - (ii)
    - a) According to information and explanation given to us, physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification by the management is appropriate and no discrepancies were noticed during such verification.
    - b) During the period no working capital limits had been sanctioned to the company in excess of 5 Crore rupees, in aggregate, from Bank and Financial institutions on the basis of security of current assets. Accordingly, the provisions of the Clause 3(ii)(b) of the Order are not applicable to the Company and hence not commented upon.
  - (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clause (iii) of paragraph 3 of the Order is not applicable to the Company
  - (iv) In our opinion and according to information and explanations given to us, the Company has not advanced loans to Directors/Company in which the director is interested to which the provisions of Section 185 of the Companies Act, 2013 apply and hence not commented upon.
- Also, 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 31<sup>st</sup> March, 2023 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 as at March 31st, 2023 for a period of more than six months from the date they became payable, except the following:

Name of the Statute	Nature of Dues	Amount (in Rs.)	Period to which demand relates	Date of demand	Date of Payment
Income Tax Act, 1961	Interest on Payment Default u/s 201	7,948/-	2021-22	Various Dates	Unpaid till date
	Late filing fee u/s 234E	73,131/-	2021-22	Various Dates	Unpaid till date
Professional Tax Act, 1975	Non-deduction of Professional Tax	2500/-	2022-23	Various Dates	Unpaid till date



Maharashtra	Non-payment of Professional Tax	1200/-	2022-23	Various Dates	Unpaid till date
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- b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute.
- (viii) No transactions has been recorded in the books of account which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), Accordingly , paragraph 3(viii) of the order is not applicable to the company;
- (ix) According to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- (x)
- a) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company and hence, not commented upon.
- b) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company and hence, not commented upon.
- (xi)
- a) 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 has been noticed or reported during the year;
- b) Since, no material fraud by Company or on the Company has been noticed or reported during the year, hence, no reporting under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- c) According to the information and explanations given to us, the Company has not received any whistle-blower complaints, hence, the provisions of the clause 3 (xi)(c) of the Order is not applicable to the Company;
- (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 details of related party transactions have been disclosed in the Financial Statements, as required by the applicable Indian accounting standards.
- (xiv)
- a) According to the information and explanations given to us, the company has an appropriate internal audit system commensurate with the size and nature of its business;
- b) The reports of the Internal Auditors of the Company were considered by the statutory auditor.
- (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. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company and hence not commented upon.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Hence, provisions of clause 3(xvii) of the Order are not applicable to the Company.
- (xviii) There has been no resignation of the statutory auditors during the year; hence provisions of clause 3(xviii) of the Order are not applicable to the Company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) Since the provisions of Corporate Social Responsibility under section 135 of the companies Act, 2013 is not applicable to the company, and hence there is no reporting requirement under clause 3(xx) of the order.

(xxi) Since the company does not have any group company and no consolidated financial statements are prepared. Accordingly provisions of clause 3(xxi) of the Order are not applicable to the Company and hence, not commented upon.

**For Motilal & Associates LLP  
(Formerly Known as Motilal & Associates)  
Chartered Accountants  
ICAI FRN: 106584W/W100751**

Sd/-  
CA Rishabh M. Jain  
(Partner)  
Mem. No. 179547  
Place: Mumbai  
Date: 25/05/2023  
UDIN: 23179547BGXNJF7525

**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 ELECTREX LIMITED** (Formerly Known as 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 ELECTREX LIMITED (Formerly Known as Sparc Systems Limited)** (“the Company”) as of **March 31, 2023** 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, 2023, 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 LLP  
(Formerly Known as Motilal & Associates)  
Chartered Accountants  
ICAI FRN: 106584W/W100751**

Sd/-  
CA Rishabh M. Jain  
(Partner)  
Mem. No. 179547  
Place: Mumbai  
Date: 25/05/2023  
UDIN: 23179547BGXNJF7525

**SPARC ELECTREX LIMITED**

CIN: L31100MH1989PLC053467

**BALANCE SHEET AS AT MARCH 31, 2023**

(Amount in '000)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>A) Non-current assets</b>			
a) Property, Plant and Equipment	2	10,983.39	10,969.96
b) Capital Work in-Progress		-	-
c) Financial Assets		-	-
d) Deferred Tax Assets (Net)	3	14.96	27.77
e) Other Non - current Asset	4	19,000.00	19,000.00
<b>Total Non -current assets</b>		<b>29,998.35</b>	<b>29,997.72</b>
<b>B) Current assets</b>			
a) Inventories	5	14,878.11	5,982.20
b) Financial Assets		-	-
i) Investment		-	-
ii) Trade receivables	6	36,480.02	16,956.46
iii) Cash and cash equivalents	7	2,461.95	7,818.13
iv) Other Bank Balances		-	-
v) Loan	8	-	12,800.00
vi) Others Financial Assets	9	2,811.25	24.52
c) Current Tax Assets (net)	10	782.00	789.49
d) Other current assets	11	11,556.47	891.82
<b>Total Current assets</b>		<b>68,969.80</b>	<b>45,262.62</b>
<b>Non-Current Assets Classified as Held for Sale</b>	2(a)	-	888.44
<b>Total Assets</b>		<b>98,968.15</b>	<b>76,148.78</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity Share Capital	12	49,685.00	49,685.00
b) Other Equity	13	(7,173.45)	(14,138.48)
<b>Total Equity</b>		<b>42,511.55</b>	<b>35,546.52</b>
<b>LIABILITIES</b>			
<b>A) Non-current liabilities</b>			
a) Financial Liabilities		-	-
b) Provisions		-	-
c) Deferred Tax Liabilities (Net)	3	-	-
d) Other non-current liabilities		-	-
<b>Total Non-current liabilities</b>		-	-
<b>B) Current liabilities</b>			
<b>a) Financial Liabilities</b>			
i) Borrowings	14	25,161.05	21,739.42
ii) Trade payables	15	24,361.62	16,713.23
iii) Other financial liabilities	16	3,390.71	2,116.61
b) Other Current Liabilities	17	3,543.22	32.99
<b>Total Current liabilities</b>		<b>56,456.60</b>	<b>40,602.26</b>
<b>Total Equity and Liabilities</b>		<b>98,968.15</b>	<b>76,148.78</b>

The accompanying notes 1 to 42 are an integral part of the Standalone Financial Statements

In terms of our report of even date  
For Motilal & Associates LLP  
(Formerly Motilal & Associates)  
Chartered Accountants  
FRN: 106584W/W100751

Sd/-  
CA. Rishabh M Jain  
(Partner)  
Mem No. 179547  
UDIN: 23179547BGXNJF7525  
Place: Mumbai  
Date: 25.05.2023

For and on behalf of the Board of Directors  
Sparc Electrex Limited  
(Formerly Sparc Systems Limited)

Sd/- Shobhit G Hegde (WTD & CFO)  
DIN: 02211021

Sd/- Suresh Vishwanathan (Director)  
DIN: 02310679

Sd/-  
Tejashri Kulkarni  
(Company Secretary A 56576)

**SPARC ELECTREX LIMITED**

CIN: L31100MH1989PLC053467

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2023**

(Amount in '000)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>Continuing Operations</b>			
<b>Income</b>			
Revenue From Operations	18	48,480.11	131,471.79
Other Income and Other Gains/(Losses)	19	4,102.93	19,259.98
<b>Total Revenue</b>		<b>52,583.04</b>	<b>150,731.77</b>
<b>Expenditure</b>			
Cost of Material Consumed	20	(5,262.06)	(1,256.39)
Change in Inventory	21	(3,633.86)	(4,681.10)
Purchases for Trading Items		49,982.88	131,177.06
Employee benefits expenses	22	524.57	1,017.09
Finance costs		-	-
Depreciation and amortization expenses	23	0.17	4.84
Other expenses	24	3,176.73	2,266.96
<b>Total expenses</b>		<b>44,788.44</b>	<b>128,528.46</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>7,794.60</b>	<b>22,203.31</b>
Exceptional items:		-	-
Tax expense:			
(1) Current tax		816.77	792.00
(2) Deferred tax	3	12.80	235.79
(3) MAT Credit Entitlement /(utilizations)			
(4) Short / (Excess) provision for tax of earlier years			
<b>Total tax expenses</b>		<b>829.57</b>	<b>1,027.79</b>
<b>Profit / (Loss) for the year after tax</b>		<b>6,965.03</b>	<b>21,175.52</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- Remeasurements of net defined benefit Plans (net of tax)		-	-
- Items that will be reclassified to profit or loss		-	-
- Items that may be reclassified to profit or loss		-	-
<b>Other Comprehensive Income for the Year</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>6,965.03</b>	<b>21,175.52</b>
<b>Earnings per equity share: (in Rs)</b>			
<b>Equity shares of Par value of Rs. 10 /-each</b>			
Basic	25	1.42	4.33
Diluted	25	1.42	4.33

In terms of our report of even date  
For Motilal & Associates LLP  
(Formerly Motilal & Associates)  
Chartered Accountants  
FRN: 106584W/W100751

Sd/-  
CA. Rishabh M Jain  
(Partner)  
Mem No. 179547  
UDIN: 23179547BGXNJF7525  
Place: Mumbai  
Date: 25.05.2023

For and on behalf of the Board of Directors  
Sparc Electrex Limited  
(Formerly Sparc Systems Limited)

Sd/-  
Shobhit G Hegde  
(WTD & CFO)  
DIN: 02211021

Sd/-  
Suresh Vishwanathan  
(Director)  
DIN: 02310679

Sd/-  
Tejashri Kulkarni  
(Company Secretary A 56576)

**SPARC ELECTREX LIMITED**

CIN: L31100MH1989PLC053467

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	(Amount in '000)	
	As at 31.03.2023	As at 31.03.2022
<b>Operating activities</b>		
Profit Before Tax	7,794.60	22,203.31
<b>Adjustments to reconcile profit before tax to net cash inflow</b>		
Depreciation and amortization	0.17	4.84
Interest income	(11.37)	(259.98)
Sundry Balance written Back	-	(19,000.00)
Profit on sale of fixed assets	(4,091.56)	-
	<b>3,691.84</b>	<b>2,948.16</b>
<b>Working capital adjustments :-</b>		
(Increase) / Decrease in Trade and Other Receivables	(19,523.56)	(16,956.46)
(Increase) / Decrease in Inventories	(8,895.91)	(5,937.49)
(Increase) / Decrease in Loan	12,800.00	(7,056.98)
(Increase) / Decrease in Other Current Assets	(10,664.65)	6,968.45
(Increase) / Decrease in Other Financial Assets	(2,786.73)	-
(Increase) / Decrease in Other Non-Current Assets	-	600.00
Increase / (Decrease) in Trade and Other Payables	7,648.38	16,713.23
Increase / (Decrease) in Other Financial Liabilities	457.34	600.10
Increase / (Decrease) in Other Current Liabilities	3,510.22	(59.47)
Increase / (Decrease) in Current Tax Asset	7.50	(753.57)
<b>Cash generated from operations</b>	<b>(13,755.58)</b>	<b>(2,934.03)</b>
Direct taxes paid (Net off Refund)	-	-
<b>Net cash flow from operating activities</b>	<b>(13,755.58)</b>	<b>(2,934.03)</b>
<b>Investing activities</b>		
Purchase of Property, Plant and Equipment	(13.60)	(10,622.50)
Sale of Property	4,980.00	-
Interest received	11.37	259.98
<b>Net cash flow used in investing activities</b>	<b>4,977.77</b>	<b>(10,362.52)</b>
<b>Financing activities</b>		
Proceeds from Borrowings (Net)	3,421.14	21,041.25
Interest paid	-	-
<b>Net cash flow from financing activities</b>	<b>3,421.14</b>	<b>21,041.25</b>
<b>Increase in cash and cash equivalents</b>	<b>(5356.18)</b>	<b>7,744.71</b>
Cash and cash equivalents at the beginning of the year	7818.13	73.42
Cash and cash equivalents at the end of the year	<b>2461.95</b>	<b>7878.13</b>

Particulars	As at 31.03.2023	As at 31.03.2022
Cash in Hand	2,205.13	1,995.78
Bank Balances		
- In Current Accounts	256.82	820.43
Other Bank Balances		
- In Deposit Accounts	-	5,001.92
	<b>2461.95</b>	<b>7878.13</b>

In terms of our report of even date  
For Motilal & Associates LLP  
(Formerly Motilal & Associates)  
Chartered Accountants  
FRN: 106584W/W100751

Sd/-  
CA. Rishabh M Jain  
(Partner)  
Mem No. 179547  
UDIN: 23179547BGXNJF7525  
Place: Mumbai  
Date: 25.05.2023

For and on behalf of the Board of Directors  
Sparc Electrex Limited  
(Formerly Sparc Systems Limited)

Sd/-  
Shobhit G Hegde  
(WTD & CFO)  
DIN: 02211021

Sd/-  
Suresh Vishwanathan  
(Director)  
DIN: 02310679

Sd/-  
Tejashri Kulkarni  
(Company Secretary A 56576)

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023****Note 1****A. CORPORATE INFORMATION:**

SPARC ELECTREX LIMITED (Formally Known as SPARC SYSTEMS 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, 2023, the Statement of Profit and Loss for the year ended 31 March 2023, the Statement of Cash Flows for the year ended 31 March 2023 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 25<sup>th</sup> May, 2023.

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 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.

**b) Equity Instruments and Financial Liabilities**

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

**Equity Instruments**

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

**I. 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 FVPL**

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

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

**Financial liabilities at amortised cost**

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

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

**(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 are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

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

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

**K. TRADE RECEIVABLES:**

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

**L. TRADE PAYABLES:**

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

**M. EARNINGS PER SHARE:**

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average

number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**N. CASH AND CASH EQUIVALENTS:**

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

**O. BORROWING COSTS:**

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

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

**P. REVENUE RECOGNITION:**

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

**Q. FOREIGN CURRENCY TRANSACTIONS:****a. Initial Recognition**

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

**b. Conversion**

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

**c. Treatment of Exchange Difference**

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

**R. INVENTORIES:**

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

**S. PROVISIONS AND CONTINGENT LIABILITIES AND ASSETS:**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

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

**T. EMPLOYEE BENEFITS:****i) Defined Contribution Plan**

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

**ii) Defined Benefit Plan**

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

**iii) Leave entitlement and compensated absences**

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

**iv) Short-term Benefits**

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

**v) Termination benefits**

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

**U. 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**

The Company has obtained the Section 115BAA as per Income Tax hence, MAT is not applicable. The company has also reversed all the MAT credit of Previous Years as Expenses / Income as obtained tax regime under Section 115BAA of Income Tax Act.

**SPARC ELECTREX LIMITED**

CIN: L31100MH1989PLC053467

**NOTES FORMING PART TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023****(Amount in '000)****Note 2: Property, Plant & Equipment**

Particulars	Factory Building	Plant & Machinery	Furniture & Fixtures	Dies and Molds	Computer	Total
<b>Year Ended March 31, 2023</b>						
<b>Gross Carrying Amount</b>						
Opening Gross Carrying Amount	10,622.50	6,731.07	531.63	967.56	43.55	18,896.31
Additions	-	13.60	-	-	-	13.60
Disposals	-	-	-	-	-	-
Transfers/ Reclassified	-	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>10,622.50</b>	<b>6,744.67</b>	<b>531.63</b>	<b>967.56</b>	<b>43.55</b>	<b>18,909.91</b>
<b>Accumulated Depreciation &amp; Impairment</b>						
Opening Accumulated Depreciation	-	6,417.56	505.05	962.37	41.37	7,926.35
Depreciation charge during the year	-	0.17	-	-	-	0.17
Disposals	-	-	-	-	-	-
Transfers/Reclassified	-	-	-	-	-	-
<b>Closing Accumulated Depreciation &amp; Impairment</b>	<b>-</b>	<b>6,417.73</b>	<b>505.05</b>	<b>962.37</b>	<b>41.37</b>	<b>7,926.52</b>
<b>Net Carrying Amount</b>	<b>10,622.50</b>	<b>326.94</b>	<b>26.58</b>	<b>5.19</b>	<b>2.18</b>	<b>10,983.39</b>

Particulars	Factory Building	Plant & Machinery	Furniture & Fixtures	Dies and Molds	Computer	Total
<b>Year Ended March 31, 2022</b>						
<b>Gross Carrying Amount</b>						
Opening Gross Carrying Amount	10,622.50	6,731.07	531.63	967.56	43.55	18,896.31
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers/ Reclassified	-	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>10,622.50</b>	<b>6,731.07</b>	<b>531.63</b>	<b>967.56</b>	<b>43.55</b>	<b>18,896.31</b>
<b>Accumulated Depreciation &amp; Impairment</b>						
Opening Accumulated Depreciation	-	6,417.56	505.05	962.37	36.53	7,921.51
Depreciation charge during the year	-	0.17	-	-	4.84	4.84
Disposals	-	-	-	-	-	-
Transfers/Reclassified	-	-	-	-	-	-
<b>Closing Accumulated Depreciation &amp; Impairment</b>	<b>-</b>	<b>6,417.56</b>	<b>505.05</b>	<b>962.37</b>	<b>41.37</b>	<b>7,926.35</b>
<b>Net Carrying Amount</b>	<b>10,622.50</b>	<b>313.51</b>	<b>26.58</b>	<b>5.19</b>	<b>2.18</b>	<b>10,969.96</b>

The WDV of the assets except for Computer have been reduced to 5% of the Cost, which is the estimated Scrap Value as per the Companies Act, 2013. Hence no depreciation is charged for financial year 2022-23 pertaining to those assets.

<b>Note 2a: Non-Current Assets Held For Sale</b>	As at 31st March 2023		As at 31st March 2022	
	Land	Buildings	Land	Buildings
<b>Year Ended March 31, 2023</b>				
<b>Gross Carrying Amount</b>				
Opening Gross Carrying Amount	-	-	50.85	837.59
Additions ( Net Carrying Amount)	-	-	-	-
Disposals	-	-	-	-
Transfers/Reclassified	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>-</b>	<b>-</b>	<b>50.85</b>	<b>837.59</b>
<b>Accumulated Depreciation and Impairment</b>				
Opening Accumulated Depreciation	50.85	837.59	-	-
Depreciation charge during the year	-	-	-	-
Disposals	50.85	837.59	-	-
Transfers/Reclassified	-	-	-	-
<b>Closing Accumulated Depreciation and Impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Carrying Amount</b>	<b>-</b>	<b>-</b>	<b>50.85</b>	<b>837.59</b>

<b>Note 3: Deferred Tax Assets (Net)</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
MAT Credit Entitlement	-	-
Timing Difference due to differences in WDV of fixed assets	-	-
Deferred Tax Asset (on above differences)	14.96	27.77
<b>Total Deferred Tax Assets</b>	<b>14.96</b>	<b>27.77</b>

<b>Note 4: Other Non-Current Assets</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Capital Advances	38,500.00	38,500.00
Provision for Foreseeable Losses	(19,500.00)	(19,500.00)
<b>Total Deferred Tax Assets</b>	<b>19,000.00</b>	<b>19,000.00</b>

<b>Note 5: Inventories</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Raw materials and consumable items	6,563.16	1,301.10
Finished Goods - Trading Item	8,314.96	4,681.10
<b>Total</b>	<b>14,878.11</b>	<b>5,982.20</b>

<b>Note 6: Trade Receivables</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Overdue for a period exceeding six months</b>		
Unsecured Considered Good	14,691.36	1,620.00
<b>Others</b>		
Trade Receivables (Unsecured and Considered Good) #	21,788.67	15,336.46
<b>Total Deferred Tax Assets</b>	<b>36,480.02</b>	<b>16,956.46</b>

# includes Rs. 155.85 Lakhs/- (Previous year Rs.43.20 Lakhs) to related party M/s Electrex International Private Limited

#### Ageing of Trade Receivables

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables- considered goods	21788.67	8751.36	5940.00	-	-	36480.02
Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables- considered goods	-	-	-	-	-	-
Disputed Trade Receivables- considered doubtful	-	-	-	-	-	-

<b>Note 7: Cash &amp; Cash Equivalents</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Balance with Banks</b>		
- Current Accounts	256.82	820.43
<b>Cash on Hand</b>	2,205.13	1,995.78
<b>Other Bank Balances</b>		
- In Deposit Accounts	-	5,001.92
<b>Total Cash &amp; Cash Equivalents</b>	<b>2,461.95</b>	<b>7,818.13</b>

<b>Note 8: Loan</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Unsecured considered good</b>		
- Loan to other body Corporate	-	12,800.00
<b>Total</b>	<b>-</b>	<b>12,800.00</b>

<b>Note 9: Other Current Financial Assets</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Deposits	2,811.25	24.52
<b>Total</b>	<b>2,811.25</b>	<b>24.52</b>

<b>Note 10: Current Tax Assets (Net)</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Advance Tax & TDS (Net of Provisions)	782.00	789.49
<b>Total</b>	<b>782.00</b>	<b>789.49</b>

<b>Note 11: Other Current Assets</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Unsecured, considered good</b>		
- Advances given	55.00	55.00
Provision for Foreseeable Losses	(55.00)	(55.00)
Balance with Government Authorities	692.75	306.01
Advances to Creditors	10,863.73	585.80
<b>Total</b>	<b>11,556.47</b>	<b>891.82</b>

<b>Note 12: Equity Share Capital</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Authorised Capital</b> 2,00,00,000 Eq. Shares of Rs 10/- each	200,000.00	60,000.00
<b>Total</b>	<b>200,000.00</b>	<b>60,000.00</b>
<b>Issued &amp; Subscribed Capital</b> 50,40,000 Equity Shares of Rs 10/- each fully paid up	50,400.00	50,400.00
	<b>50,400.00</b>	<b>50,400.00</b>
<b>Paid Up Capital</b> 48,89,000 Equity Shares of Rs 10/- each fully paid up Add: Forfeited Equity Shares	48,890.00 795.00	48,890.00 795.00
<b>Total</b>	<b>49,685.00</b>	<b>49,685.00</b>

**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:**

<b>Particulars</b>	<b>Equity Shares</b>		<b>Equity Shares</b>	
	<b>As on March 31, 2023</b>		<b>As on March 31, 2022</b>	
	<b>Number</b>	<b>Rs. In '0000</b>	<b>Number</b>	<b>Rs. In '0000</b>
Shares outstanding at the beginning of the year	48,89,000	48,890.00	48,89,000	48,890.00
Shares Issued during the year				-
Shares bought back during the year				-
Shares outstanding at the end of the year	<b>48,89,000</b>	<b>48,890.00</b>	<b>48,89,000</b>	<b>48,890.00</b>

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

<b>Name of the Shareholders</b>	<b>Equity Shares</b>			
	<b>As on March 31, 2023</b>		<b>As on March 31, 2022</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Shobha Anant Hegde	11,75,738	24.05%	11,75,738	24.05%
Prakash Shah	3,79,358	7.76%	0	0.00%
Epson Finance & Inv Pvt Ltd	0	0.00%	4,75,217	9.72%
Stephanotis Finance Limited	0	0.00%	3,04,649	6.23%

<b>Note 13: Other Equity</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Retained Earnings	(7,173.00)	(14,138.00)
<b>Closing Balance</b>	<b>(7,173.00)</b>	<b>(14,138.00)</b>
i) Retained Earnings		
Balance as at the beginning of the year	(14,138.00)	(35,314.00)
Add- Profit for the current year	6,965.00	21,176.00
<b>Net surplus in the statement of profit and loss account</b>	<b>(7,173.00)</b>	<b>(14,138.00)</b>

**Nature and Purpose of Reserves:**
**Retained Earnings**

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

<b>Note 14: Borrowing</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Unsecured		
-Inter Corporate Loan	22,203.77	21,605.50
-Loan from Directors / Relatives	2,957.28	133.92
	<b>25,161.05</b>	<b>21,739.42</b>

<b>Note 15: Trade Payables</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Due to Micro, Small & Medium enterprises (refer note no. 27)	-	15,830.47
Others	24,361.62	882.76
<b>Total</b>	<b>24,361.62</b>	<b>16,713.23</b>

<b>Ageing of Trade Payables</b>					
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>				
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Particulars					
1) MSME	-	-	-	-	-
2) Others	23,478.86	882.76	-	-	24361.62
3) Disputed dues- MSME	-	-	-	-	-
4) Disputed dues- Others	-	-	-	-	-
	<b>23,478.86</b>	<b>882.76</b>	-	-	<b>24361.62</b>

\* The Information regarding Micro enterprises and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors. Interest paid during the year Rs. Nil (Previous year Rs. Nil)

<b>Note 16: Other Financial Liabilities (Current)</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Statutory Dues	222.16	216.53
Creditors for Expenses	1,559.79	1,108.08
Provision for Income Tax	1,608.77	792.00
<b>Total</b>	<b>3,390.71</b>	<b>2,116.61</b>

<b>Note 17: Other Current Liabilities</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Advance from Customers	3,543.22	32.99
<b>Total</b>	<b>3,543.22</b>	<b>32.99</b>

<b>Note 18: Revenue from Operations</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Trading for Steel Items	36,638.35	125,809.79
Manufacturing Turnover - Electronic Equipment's	11,841.76	5,662.00
<b>Total Revenue from Operations</b>	<b>48,480.11</b>	<b>131,471.79</b>

<b>Note 19: Other Income and Other Gains/(Losses)</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Interest Income on Deposits/Advances/ Loan	11.37	259.98
Profit on Sale of Fixed Assets	4,091.56	-
Provisions for Bad Advances (Write Back / Net)	-	19,000.00
<b>Total</b>	<b>4,102.93</b>	<b>19,259.98</b>

<b>Note 20: Cost of Material Consumed</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Opening Stock - Raw Material	1,301.10	44.71
Add : Purchase of Electronic Equipment's	-	-
Closing Stock - Raw Material	6,563.16	1,301.10
<b>Total</b>	<b>(5,262.06)</b>	<b>(1,256.39)</b>

<b>Note 21: Change in Inventory</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Closing Stock		
- Finished Goods - Trading	8,314.96	4,681.10
Opening Stock		
- Finished Goods - Trading	4,681.10	-
<b>Total</b>	<b>(3,633.86)</b>	<b>(4,681.10)</b>

<b>Note 22: Employee Benefit Expense</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Salary & Stipend	511.53	987.00
Directors remuneration & fees	-	-
Staff welfare	13.04	30.09
Workman Insurance Expenses	-	-
<b>Total</b>	<b>524.57</b>	<b>1,017.09</b>

<b>Note 23: Depreciation and amortization expenses</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Depreciation on Property, Plant and Equipment	0.17	4.84
<b>Total</b>	<b>0.17</b>	<b>4.84</b>

<b>Note 24: Other Expenses</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Advertisement	126.70	71.80
<b>Auditors Remuneration-</b> - Statutory Audit Fees	100.00	100.00
Interest on Late Payment of Taxes	-	3.29
Internal Audit Fees	60.00	60.00
Provision for Bad Advances	-	-
Registrar and Transfer Fees	68.98	83.50
Bank Charges	24.70	0.76
Courier & Postage Charges	0.34	45.79
Electricity Charges	-	32.24
Listing & Custodian fees	600.00	351.00
Office & Misc. Expenses	76.50	27.79
Printing And Stationary	30.00	44.67
Professional Fees	1,385.77	335.00
Rates & Taxes	207.66	100.83
ROC Charges	-	4.60
Telephone Expenses	275.73	52.05
Travelling & Conveyance	12.33	298.90
Penalty / Late Filing Fees	-	1.00
Repair & Maintenance	90.86	32.75
Transportation Charges	117.17	620.99
<b>Total</b>	<b>3,176.73</b>	<b>2,266.96</b>

<b>Details of Payment to Auditors</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
For Statutory Audit Fees	100.00	100.00
<b>Total Payment to Auditors</b>	<b>100.00</b>	<b>100.00</b>

<b>Note 25: Earning Per Share</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Weighted average number of shares outstanding during the period	48,89,000	48,89,000
Weighted average number of Potential Equity shares outstanding during the year	48,89,000	48,89,000
Total number of Potential Equity Share for calculating Diluted Earning Per share	48,89,000	48,89,000
<b>Net Profit \ (Loss) after tax available for equity shareholders</b>	6,965	21,176
<b>Basic Earning per share (in Rs.)</b>	1.42	4.33
<b>Diluted Earnings per share (in Rs.)</b>	1.42	4.33

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

**Note 26: 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**

<b>Names</b>	<b>Designation</b>
Mr. Shobhit Ganesh Hegde	Whole Time Director & CFO
Mr. Suresh Vishwanathan	Executive Director
Mr. Ravikumar Channappa	Executive Director
Mrs. Kajal Jain (Resignation w.e.f. 21.04.2022)	Independent Director
Mr. Niraj Hareshbhai Variava	Independent Director
Mr. Ashok Chhaganbhai Patel	Independent Director
Ms. Sushmita Swarup Lunkad	Independent Director
Ms. Tejashri Dattakumar Kulkarni	Company Secretary

<b>b) Entities in which Directors &amp; Relatives of Directors holding Control and / or Joint Control</b>		
<b>Sr. No.</b>	<b>Director's Name</b>	<b>Entity's Name</b>
1	Mr. Shobhit Ganesh Hegde	Electrex International Private Limited
2	Mr. Shobhit Ganesh Hegde	Electrex Power Tools Private Limited
3	Mr. Shobhit Ganesh Hegde	Anshoit Engineers Private Limited
4	Mr. Shobhit Ganesh Hegde	Mount Abu Holdings Private Limited
5	Suresh Vishwanathan	Ace Power Tools Private Limited

**ii) Transactions with Related Parties during the year**

(Amt in '000)

<b>Relationship</b>	<b>Nature of Transaction</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>a) Directors and Key Management Personnel</b>			
Deep Shah	Remuneration to Ex-Company Secretary	-	0.63
Pallavi Pravin Lakdawala	Remuneration to Ex-Company Secretary	-	0.79
Tejashri Dattakumar Kulkarni	Remuneration to Company Secretary	180.00	-
J. T .D'Souza	Reimbursement of expenses of Ex-Director	-	76.19
Punit Neb	Reimbursement of expenses of Ex-Director	-	0.75
Electrex International Pvt Ltd	Reimbursement of expenses	-	308.21
Electrex International Pvt Ltd	Service Charge Income (Excluding GST)	9546.80	4000.00
Electrex International Pvt Ltd	Loan Taken	6014.77	21904.50
Electrex International Pvt Ltd	Loan Repaid	5666.50	299.00
Ace Power Tools Private Limited	Loan Taken	100.00	-
Adya Hegde	Loan Taken	1000.00	-
Arya Hegde	Loan Taken	1,830.00	-
Arya Hegde	Loan Repaid	20.95	-
Ravikumar Channappa	Loan Taken	234.77	-
Ravikumar Channappa	Loan Repaid	220.46	-
Electrex Sale & Service	Advance for Goods	900.00	-

**iii) Closing Outstanding Balances of Related Parties**

(Amt in '000)

<b>Particulars</b>	<b>Nature</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>a) Directors and Key Management Personnel</b>			
J. T .D'Souza	Remuneration Payable	218.03	218.03
Punit Neb	Remuneration Payable	7.50	7.50
J. T .D'Souza	Unsecured Loan payable	63.93	63.93
Punit Neb	Unsecured Loan payable	70.00	70.00
Punit Neb	Payable (Reimbursement of expenses)	-	30.69
J.T. D'Souza	Payable (Reimbursement of expenses)	-	202.70
Electrex International Pvt Ltd	Unsecured Loan payable	21953.77	21605.50
Electrex International Pvt Ltd	Creditors for Expenses (Reimbursement)	-	361.17
Electrex International Pvt Ltd	Sundry Debtors	15585.22	4320.00
Ace Power Tools Private Limited	Unsecured Loan payable	100.00	-
Adya Hegde	Unsecured Loan payable	1000.00	-
Arya Hegde	Unsecured Loan payable	1809.05	-

Ravi Kumar	Unsecured Loan payable	14.31	-
Electrex Sale & Service	Advance for Goods	900.00	-
Tejshri Kulkarni	Remuneration payable	30.00	-

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

**Note 27: Financial instruments – Fair values and risk management**
**A. Accounting classification and fair values**

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

(Amount in '000)

31st March, 2023	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI – designated as such	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Other Financial Assets	-	-	2,811.25	2,811.25	-	-	-	-
Trade receivables	-	-	36,480.02	36,480.02	-	-	-	-
Cash and cash equivalents	-	-	2,461.95	2,461.95	-	-	-	-
	-	-	<b>41,753.22</b>	<b>41,753.22</b>	-	-	-	-
<b>Financial liabilities</b>								
Borrowing	-	-	25,161.05	25,161.05	-	-	-	-
Trade Payables	-	-	24,361.62	24,361.62	-	-	-	-
Other Financial Liabilities	-	-	3,390.71	3,390.71	-	-	-	-
	-	-	<b>52,913.38</b>	<b>52,913.38</b>	-	-	-	-

31st March, 2022	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI – designated as such	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Other Financial Assets	-	-	24.52	24.52	-	-	-	-
Trade receivables	-	-	16,956.46	16,956.46	-	-	-	-
Cash and cash equivalents	-	-	7,818.13	7,818.13	-	-	-	-
	-	-	<b>24,799.11</b>	<b>24,799.11</b>	-	-	-	-
<b>Financial liabilities</b>								
Borrowing	-	-	21,739.42	21,739.42	-	-	-	-
Trade Payables	-	-	16,713.23	16,713.23	-	-	-	-
Other Financial Liabilities	-	-	2,116.61	2,116.61	-	-	-	-
	-	-	<b>40,569.26</b>	<b>40,569.26</b>	-	-	-	-

**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 FVM
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 counterparty’s 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 receivables is not material hence no additional provision considered.

**Ageing of Accounts receivables:**
**(Amt in '000)**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Neither Past due nor impaired	21,789.00	15,336.00
Past due but not impaired	-	-
Past due more than 180 days	14,691.00	1,620.00
<b>Total</b>	<b>36,480.00</b>	<b>16,956.00</b>

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 '2461.95 at 31<sup>st</sup> March, 2023. ('7818.13 at 31<sup>st</sup> March, 2022). 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, 2023 and 31st March, 2022. 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**
**(Amt in '000)**

Particulars	As at 31 March 2023		As at 31 March 2022	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
<b>Financial Liabilities - Current</b>				
i. Current Borrowings *	9,088.13	16,072.92	21,605.50	133.92
ii. Trade payables	23,478.86	882.76	16,713.23	-
<b>Total</b>	<b>32,566.99</b>	<b>16,955.68</b>	<b>38,318.73</b>	<b>133.92</b>

**C.iv. Market risk**

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

**C.iv.a Currency risk**

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

**C.iv.b Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

**Note 28: Ratios**

Sr. No.	Ratios	F.Y. 2022-23	F.Y. 2021-22	% Change	Numerator	Denominator	Remark
1	Current Ratio	1.22	1.11	9.59%	Sum of Current Assets	Sum of Current Liabilities	--
2	Debt-Equity Ratio	0.59	0.61	-3.22%	Sum of Borrowings	Sum of Shareholders Fund	--
3	Debt Service Coverage Ratio	NA	NA	NA	Profit after tax but before Depreciation and interest	Sum of Interest & repayment of Debt as per Cash Flow	--
4	Return on Equity Ratio	1.40	4.26	-67.11%	Profit after tax	Sum of Shareholders Fund	Decrease due to other income reduction
5	Inventory Turnover Ratio	3.26	21.98	-85.17%	Turnover	Sum of Inventory	Due to decrease in turnover
6	Trade Receivables Turnover Ratio	1.33	7.75	-82.86%	Turnover	Sum of Trade Receivables	Due to decrease in turnover
7	Trade Payables Turnover Ratio	2.05	7.85	-73.86%	Purchase	Sum of Trade Payable	Due to decrease in turnover
8	Net Capital Turnover Ratio	1.14	3.70	-69.17%	Turnover	Sum of Shareholders Fund	Due to decrease in turnover
9	Net Profit Ratio	0.14	0.16	-10.80%	Profit after tax	Turnover	--
10	Return on Capital Employed	0.12	0.39	-70.29%	EBIT	Sum of Shareholders Fund and Sum of Borrowings	Decrease due to other income reduction
11	Return on Investment	0.10	0.37	-72.16%	Profit after tax	Sum of Shareholders Fund and Sum of Long Term Borrowings	Decrease due to other income reduction

**Note 29: Segment Reporting**

Sr. No.	Particulars	Year Ended 31.03.2023 Audited	Year Ended 31.03.2022 Audited
1	<b>Segment revenue</b>		
	(a) Manufacturing of Electrical Tools & Service	11,841.76	5,662.00
	(b) Trading	36,638.35	125,809.79
	<b>Total Income</b>	<b>48,480.11</b>	<b>131,471.79</b>
2	<b>Segment results profit / (loss) before tax and interest</b>		
	(a) Manufacturing of Electrical Tools & Service	7,482.82	5,626.71
	(b) Trading	(89.68)	(15.48)
	<b>Total</b>	<b>7,393.14</b>	<b>5,611.23</b>
	Less : Finance Cost	0.03	0.03
	Less : Other Un-allocable expenses	3,701.47	2,667.91
	<b>Total</b>	<b>3,691.64</b>	<b>2,943.29</b>
	Add: Other Un-allocable income	4,102.93	259.98
	Loss before exceptional items and tax	-	-
	Add/(less): Exceptional items- income/(expenses)	-	19,500.00
	<b>Total profit/(loss) before tax</b>	<b>77,94,599</b>	<b>2,27,03,306</b>

3	<b>Segment Assets</b>		
	(a) Manufacturing of Electrical Tools & Service	24,091.88	7,241.10
	(b) Trading	35,252.24	15,697.57
	<b>Total Segment Assets</b>	59,344.13	22,938.67
	Un-allocable Assets	39,624.03	53,210.12
	<b>Total Assets</b>	<b>98,968.15</b>	<b>76,148.78</b>
4	<b>Segment Liabilities</b>		
	(a) Manufacturing of Electrical Tools & Service	5,835.72	-
	(b) Trading	18,525.89	15,830.47
	<b>Total Segment Liability</b>	<b>24,361.62</b>	<b>15,830.47</b>
	Un-allocable Liability	32,094.98	24,771.77
	<b>Total Liability</b>	<b>56,456.60</b>	<b>40,602.25</b>
5	<b>Capital Employed</b>	<b>42,511.55</b>	<b>35,546.53</b>

Note: The Company operates in Two segment as defined by IND AS 108.

### Note 30: 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-to-day 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 31:** Contingent Liability- NIL

**Note 32:**

In case where, 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 33:**

Estimated Amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) : NIL.

**Note 34:**

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 35:**

### Un-hedged foreign currency exposure:

The Company is dealing only local business during the year, hence, no foreign currency Receivable / Payable during the Year.

**Note 36:**

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 37:**

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 38:**

The company done not full file the prescribed profit limit i.e. >5 Cr or turnover >1000 Cr or net worth >500 Cr., hence, the CSR is not applicable to the company. CSR expenses incurred by the company Nil.

**Note 39:**

Quarterly returns or statements of Current Assets filed by the company with banks are not applicable as the Company does not have any banking facility during the year.

**Note 40:**

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

**Note 41:**

The company has not made any transaction with the struck off companies during the previous Year.

**Note 42:**

The company has not had any Virtual Currency / Crypto Currency during the previous Year.

**In terms of our report of even date  
For Motilal & Associates LLP  
(Formerly Motilal & Associates)  
Chartered Accountants  
FRN: 106584W/W100751**

Sd/-  
CA. Rishabh M Jain  
(Partner)  
Mem No. 179547  
UDIN: 23179547BGXNJF7525  
Place: Mumbai  
Date: 25.05.2023

**For and on behalf of the Board of Directors  
Sparc Electrex Limited  
(Formerly Sparc Systems Limited)**

Sd/-  
Shobhit G Hegde  
(WTD & CFO)  
DIN: 02211021

Sd/-  
Suresh Vishwanathan  
(Director)  
DIN: 02310679

Sd/-  
Tejashri Kulkarni  
(Company Secretary A 56576)