

SPARC SYSTEMS LIMITED

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



FORM A

1	Name of the company	Sparc Systems Limited
2	Annual financial statements for the year ended	March 31, 2015
3	Type of Audit observation	Unqualified
4	Frequency of observation	NIL

For Sparc Systems Ltd.

J. T. D'SOUZA

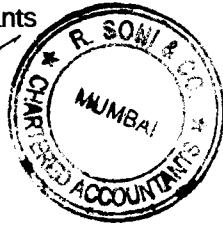
J. T. D'souza
Managing Director

B. Jain

Bharat Jain
Independent Director
Chairman Audit Committee

For R Soni & Co.
Chartered Accountants

Rajesh Soni
Rajesh Soni
Partner
M No 133240



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CIN L72100MH1989PLC053467

Registered Office : Plot No. 11, Survey No. 118-1&2, Village Pundhe, Taluka Shahapur, At Post Athgaon - 421 601



SPARC SYSTEMS LIMITED

ANNUAL REPORT 2014 - 2015

Sparc Systems Limited

BOARD OF DIRECTORS

Mr. J. T. D'souza	Chairman & Managing Director
Mr. Anand Raj Jain	Director
Ms. Punit Neb	Whole-time Director
Mr. Santosh Shetty	Director
Mr. Amit Bothra (Upto July 31, 2015)	Director
Mr. Ashok Jain (Appointed on August 13, 2015)	Director
Mr. Bharat Jain	Director

BANKERS

Union Bank of India
Indian Overseas Bank

AUDITORS

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

REGISTERED OFFICE & WORKS

Plot No. 11
Survey No. 118 / 1 - 2
Village Pundhe
Taluka Shahapur
At Post Athgaon, District Thane – 421601
Phone 9820700310
Fax 27792481

CORPORATE OFFICE

#16 Ground Floor,
Lovely, Sector 2,
Airoli, Navi Mumbai - 400708
Phone 27792473 / 27792478 / 27792481
Fax 27792481
Email sparc@mtnl.net.in
Website www.sparcsys.com

REGISTRAR AND SHARE TRANSFER AGENTS

Universal Capital Securities Pvt. Ltd.
(Formerly known as Mondkar Computers Pvt Ltd.)
21 Shakil Niwas
Mahakali Caves Road
Andheri (E) Mumbai – 400093
Phone 28207201 / 28207203-05 / 2825 7641
Fax 28207207
Email info@unisec.in
Website www.unisec.in

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Notice

Notice is hereby given that the 26th Annual General Meeting of the Members of Sparc Systems Limited will be held on Wednesday, September 30, 2015 at 10.00 am, at the Registered Office of the Company at Plot No. 11, Survey No. 118 - 1 & 2, Village Pundhe, Taluka Shahapur, At Post Athgaon, District Thane - 421601, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2015 including the Audited Balance Sheet as at March 31, 2015 and the Statement of Profit & Loss Account and Cash Flow for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. J T D'souza (DIN: 00958844), who retires by rotation and being eligible, offers himself for re-appointment.
3. Ratification of appointment of Auditors

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

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the appointment of M/s. R Soni & Co., Chartered Accountants, Mumbai (ICAI Registration Number 130349W), as Auditors of the Company by resolution passed at the 25th Annual General Meeting of the Company, to hold office from the conclusion of the 25th Annual General Meeting until the conclusion of the 28th Annual General Meeting, be and is hereby ratified for the balance term and accordingly they continue to hold office from the conclusion of the 26th Annual General Meeting until the conclusion of the 28th Annual General Meeting on such remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in pursuance to Clause 49 of the Listing Agreement, Mr. Ashok Jain (DIN: 03013476), who was appointed as Additional Director by the Board of Directors on August 13, 2015 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting has submitted a declaration that he is eligible for appointment and that he meets the criteria of independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for five consecutive years for a term up to 12.08.2020."

5. To re-appoint Mr. Jude Terrence D'souza (DIN: 00958844)

as Chairman & Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company, subject to such sanctions as may be necessary, the approval and consent of the members be and is hereby accorded to re-appoint Mr. Jude Terrence D'souza (DIN: 00958844) Key Managerial Personnel as Chairman & Managing Director of the Company for a period of 3 years with effect from December 1, 2015, whose period of office is liable to retire by rotation. The aggregate remuneration to be paid to Mr. Jude Terrence D'souza is set out herein below:

- i. **Salary:** Rs. 15,000/- per month.
- ii. **Perquisites:** Perquisites shall be allowed in addition to salary. Perquisites shall be restricted to an amount equal to the annual salary. The perquisites will comprise of medical reimbursement, leave travel concession, club fees and other benefits, allowances, expenses for self and family. For the purpose of perquisites stated hereinabove, family means spouse, dependent children and dependent parents of the Managing Director.

RESOLVED FURTHER THAT in the absence of profit or inadequacy of profit in any financial year during his tenure, the remuneration as set out above be paid to Mr. Jude Terrence D'souza (DIN: 00958844) as minimum remuneration, subject to necessary approval(s), as may be required.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby authorised to amend, alter, modify or otherwise vary the terms and conditions of re-appointment of Mr. Jude Terrence D'souza (DIN: 00958844) Managing Director, including the components of the above mentioned remuneration payable to him."

6. To re-appoint Ms. Punit Neb (DIN: 01026300) as a Whole-time Director designated as Executive Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company, subject to such sanctions as may be necessary, the approval and consent of the members be and is hereby accorded to re-appoint Ms. Punit Neb (DIN: 01026300) as Whole-time Director of the Company for a period of 3 years with effect from December 1, 2015, whose period of office is liable to

retire by rotation. The aggregate remuneration to be paid to Ms. Punit Neb is set out herein below:

- i. **Salary:** Rs. 7,500/- per month.
- ii. **Perquisites:** Perquisites shall be allowed in addition to salary. Perquisites shall be restricted to an amount equal to the annual salary. The perquisites will comprise of medical reimbursement, leave travel concession, club fees and other benefits, allowances, expenses for self and family. For the purpose of perquisites stated hereinabove, family means spouse, dependent children and dependent parents of the Whole-time Director.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of the Whole-time Director the remuneration shall be governed as provided under section II of Part II of Schedule V to the Companies Act, 2013 and any excess payment in this regard will be recovered by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorised to amend, alter, modify or otherwise vary the terms and conditions of re-appointment of Ms. Punit Neb (DIN: 01026300) Whole-time Director, including the components of the above mentioned remuneration payable to her."

For and on behalf of the Board

J. T. D'souza
Chairman & Managing Director
DIN 00958844
Mumbai, August 13, 2015

NOTES:

- a. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(S) TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY (S) NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM MUST REACH THE COMPANY'S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**
- b. Explanatory Statement pursuant to section 102(1) of the Companies Act, setting out the material facts in respect of the business under item Nos. 4 to 6 set out above and the details under clause 49 of the Listing Agreement with Stock Exchange in respect of Director's proposed to be appointed / re-appointed at the Annual General Meeting, is annexed hereto.
- c. The Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2015 to September 30, 2015, inclusive of both days.
- d. The Members are requested to intimate to the Registrar & Share Transfer Agent of the Company – **Universal Capital Securities Pvt. Ltd. (Formerly known as Mondkar Computers Pvt Ltd.)** 21 Shakil Niwas, Mahakali Caves Road, Andheri (E) Mumbai – 400093, immediately of any changes, if any, in their Registered Address. Members are requested to address the correspondence relating to the share registry both in physical and electronic mode to the said Registrar & Share Transfer Agents.
- e. Notice is being sent to all the Members, whose names appear in the Register of Members / Record of Depositories as on August 31, 2015. Members who have registered their e-mail id with the Company,

notice is sent electronically by e-mail and to the remaining Members notice is sent by the permitted mode.

- f. Mr. Rajesh Soni of M/s. R Soni & Co., Chartered Accounts has been appointed as Scrutinizer for conducting the voting by Ballot at the Meeting and remote e-voting process in a fair and transparent manner.

g. Remote Voting Through Electronic Form (Remote E-Voting)

In Compliance with the provisions of section 108 of the Companies Act, 2013, read with rule 20 of Companies (Management and Administration) Rules, 2014, and the revised clause 35B of the Equity Listing Agreement with Bombay Stock Exchange ("BSE"), the Company is pleased to offer remote E-Voting facility for the Members to enable them to cast their votes electronically. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Members who have not cast their votes by remote e-voting can exercise their voting rights at the AGM. The Company will provide polling papers at the AGM venue. The Members who have casted their votes by remote e-voting may participate in the Meeting even after exercising their right to vote through remote e-voting but they shall not be allowed to cast vote again at the Meeting.

For the purpose of E-Voting, the Company has signed an agreement with Central Depository Limited ("CDSL") for facilitating E-Voting. The Company is also providing facility for voting by Ballot at the Annual General Meeting apart from providing remote e-voting facility for all those members who are present at the general meeting but have not casted their votes by availing the remote e-voting facility.

1. Instructions for members for voting electronically are as under

- i. The Remote e-voting period begins on September 26, 2015 at 9.00 am and ends on September 29, 2015 at 5.00 pm. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 24, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL after 5:00 PM (IST) on September 29, 2015.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iv. Click on Shareholders.
- v. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form & Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr no affixed on Annual Report, in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant Sparc Systems Limited on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

- xix. **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
2. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes casted by Ballot at the Meeting, thereafter unblock the votes casted through remote e-voting in the manner provided in the Rules and make, not later than 3 days of conclusion of the Meeting, consolidated Scrutinizer's Report of remote e-voting and voting by Ballot at the Meeting, of the total votes casted in favour or against, if any, to the Chairman of the Meeting and the Chairman or a person as may be authorized by him in writing shall declare the result of the voting forthwith and all the resolutions as mentioned in the Notice of the Meeting shall be deemed to be passed on the date of the Meeting.
 3. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.sparcsys.com and on the website of CDSL at www.cdslindia.com, immediately

after the results are declared by the Chairman.

4. Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date i.e. Thursday, September 24, 2015, may obtain the User ID and Password by sending an email request to sparc@mtnl.net.in. Members may also call on +912227792473 / 78 / 81 or send a request to Ms. Punit Neb, Whole-time Director, by writing to her at Sparc Systems Ltd., #16 Ground Floor, Lovely, Sector 2, Airoli, Navi Mumbai – 400708.
5. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- h. Members are requested to Register their email address and changes therein from time to time for shares held in physical form & bring their copy of the Annual Report to the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The Statement pursuant to Section 102(1) of the Companies Act, 2013 for item Nos. 4 to 6 of the accompanying notice is as under

Item No. 4

Members be informed that Mr. Ashok Jain was appointed as an Independent Director of the Company. He was appointed as an Additional Director (Independent) w.e.f. August 13, 2015 by the Board of Directors of the Company Mr. Ashok Jain holds office upto the conclusion of the date of this Annual General Meeting. The Company has received notice from the member along with deposit of requisite amount under section 160 of the Companies Act, 2013 proposing the candidature of Mr. Ashok Jain for the office of Director of the Company.

The Nominations Committee has recommended the appointment of Mr. Ashok Jain as Independent Director from 13.08.2015 to 12.08.2020 not liable to retire by rotation.

Mr. Ashok Jain is a post-graduate in Commerce and has experience of about 15 years. He has been associated with various reputed organisations. His appointment would be beneficial to the Company.

Mr. Ashok Jain, Non-Executive Independent Director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013. In the opinion of the Board, director fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Director Mr. Ashok Jain as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and Sunday and also posted on Company's website – www.sparcsys.com.

Brief profile alongwith other details of Mr. Ashok Jain are provided in the Report on Corporate Governance forming part of the Annual Report. He does not hold any Equity Shares of the Company.

None of the Directors (except Mr. Ashok Jain), Key Managerial Personnel and relatives of Directors of the Company are directly / indirectly interested in the above resolution except to the extent of their respective interest as shareholders of the Company.

The Board of Directors recommend the ordinary resolution for approval by the members.

Item No. 5

Mr. Jude Terrence D'souza (DIN: 00958844), aged 56 years, Key Managerial Personnel, is a Promoter Director designated as Chairman and Managing Director of the Company. Mr. Jude Terrence D'souza has rich experience in the field of Electronics, Computing, Software and Embedded Systems. He looks after the day-to-day affairs of the management of the Company, subject to the supervision of the Board.

Mr. Jude Terrence D'souza was re-appointed as a Managing Director of the Company w.e.f. December 1, 2012 for a tenure of 3 (three) years and his current term of appointment as Managing Director of the Company will expire on November 30, 2015 & in the previous AGM his term of office was changed to liable to determination by rotation. The Board of Directors hereby propose to seek the shareholders approval for reappointment and remuneration payable to Mr. Jude Terrence D'souza as Managing Director of the Company for a further period of 3 years, in terms of applicable provisions of the Act as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

The above mentioned salary is to be made effective from December 1, 2015 and be paid accordingly after approval from the Board of Directors of the Company from time to time during the tenure of appointment.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 and any rules made thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Mr. Jude Terrence D'souza satisfies all the conditions as set out in Part I of Schedule V and conditions as set out in sub section (3) of Section 196 of the Act, being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Jude Terrence D'souza under section 190 of the Act.

None of the Directors / Key Managerial Personnel of the Company except Mr. Jude Terrence D'souza & Ms. Punit Neb is concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the ordinary resolution set out in Item No. 5 of the Notice for approval by the members.

Item No. 6

Ms. Punit Neb (DIN: 01026300), aged 47 years was re-appointed as a Whole-time Director of the Company w.e.f. December 1, 2012 for a tenure of 3 (three) years. Ms. Punit Neb is a Bachelor of Electronics Engineering and Master of Marketing Management. She has vast experience in the field of technology design & development. She looks after the day-to-day affairs of the management of the Company, subject to the supervision of the Board and overall authority of the Managing Director.

Her current term of appointment as Whole-time Director of the Company will expire on November 30, 2015 & in the previous AGM her term of office was changed to liable to determination by rotation. The Board of Directors hereby propose to seek the shareholders approval for reappointment and remuneration payable to Ms. Punit Neb as Whole-time Director of the Company for a further period of 3 years, in terms of applicable provisions of the Act as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

Ms. Punit Neb satisfies all the conditions as set out in Part I of Schedule V and conditions as set out in sub section (3) of Section 196 of the Act, being eligible for her reappointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Ms. Punit Neb under section 190 of the Act.

None of the Directors / Key Managerial Personnel of the Company except Ms. Punit Neb & Mr. Jude Terrence D'souza is concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the ordinary resolution set out in Item No. 6 of the Notice for approval by the members.

For and on behalf of the Board

J. T. D'souza
Chairman & Managing Director
DIN 00958844
Mumbai, August 13, 2015

Details of Directors seeking appointment / re-appointment at the Annual General Meeting

Particulars	J. T. D'souza	Punit Neb	Ashok Jain
DIN	00958844	01026300	03013476
Nationality	Indian	Indian	Indian
Date of Birth	August 28, 1959	December 26, 1967	June 8, 1980
Date of Appointment	September 14, 1989	July 6, 1991	August 13, 2015
Qualifications	Radio Officer	B. E., Master of Marketing Management	B. Com., M. Com.
Expertise in specific functional areas	Techno-commercial and business development	Technology design & development	International Financial Analyst
Directorships held in other companies (excluding foreign companies)	NIL	Epson Finance & Investments Pvt. Ltd.	G I M Financial Solutions Pvt. Ltd., Pansoft Infrastructure Pvt. Ltd., Sindu Valley Technologies Ltd.
Memberships / Chairmanships of Board Committees of other companies	NIL	NIL	1
Number of shares held in the Company	51200	28300	NIL

Directors' Report

To,
The Members Sparc Systems Limited

The Directors present the Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2015.

Financial summary of the Company is as below

Particulars	Year Ended March 31, 2015 Rs.	Year Ended March 31, 2014 Rs.
Gross Income	695,169	1,843,672
Profit / (Loss) Before Interest and Depreciation	(6,894,243)	(1,924,583)
Finance Charges	-	-
Gross Profit	(6,894,243)	(1,924,583)
Provision for Depreciation	128,682	582,938
Net Profit / (Loss) Before Tax	(7,022,925)	(2,507,521)
Provision for Tax	309,480	128,419
Net Profit / (Loss) After Tax	(6,713,445)	(2,379,102)
Balance of Profit brought forward	(7,687,369)	(5,308,267)
Balance available for appropriation	-	-
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to General Reserve	-	-
Transferred depreciation to retained earning	50,895	-
Surplus / (Deficit) carried to Balance Sheet	(14,451,709)	(7,687,369)

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

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

The Company has reported a gross income of Rs.6.95 lacs for the current year as compared to Rs. 18.44 lacs in the previous year. The Company has incurred a net loss amounting Rs. 67.13 in the current year as compared to Rs. 23.79 in the previous year.

The Management intends to continue to pursue its product lines. The Company continues to leverage its exiting technologies and continues to add several new clients covering different industry segments.

Due to the various reforms undertaken by the Government, the economy is expected to do well over next several years and the industry expects that markets in India will do well and the Directors are also optimistic about Company's business and hopeful of better performance in next year.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company.

DIVIDEND

No dividend was declared for the current financial year due to loss incurred by the Company.

TRANSFER TO RESERVES

The Company has not transferred any amount to reserves.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

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

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

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

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

STATUTORY AUDITOR

M/s. R Soni & Co., Chartered Accountants, Mumbai (ICAI Registration Number 130349W), were appointed as Statutory Auditors at the 25th Annual General Meeting of the Company, for a term of three consecutive financial years i.e. for 2014-2015 to 2016-2017 and they shall hold office till the conclusion of the 28th Annual General Meeting of the Company to be held in the year 2017, subject to

ratification by the shareholders at every Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for re-appointment.

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

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

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, Ms. Alka Jain, Practicing Company Secretary (ACS 17219; CP No. 5519), Mumbai, has been appointed to conduct a Secretarial Audit of the Company's Secretarial and related records for the year ended March 31, 2015. The Practicing Company Secretary has submitted her Report on the Secretarial Audit conducted by her which is annexed to this Report.

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

The Board has noted that pursuant to the provisions of Section 203 of The Companies Act, 2013, the Company was required to appoint Whole-time Company Secretary however the same has not been complied with as yet. Management is under process of appointing a suitable company secretary for compliance of said provision of Companies Act.

CASH FLOW STATEMENT

The Cash Flow Statement for the period ended 31st March, 2015, in conformity with the provisions of Clause 32 of the Listing Agreement entered with the Stock Exchanges, is annexed hereto.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. J T D'souza, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Mr. Amit Bothra, (DIN: 01269396) Non-Executive Independent Director of the Company, has tendered his resignation from the Board of the Company with effect from July 31, 2015. The Board at its meeting held on August 13, 2015 took note of the same. The Board wishes to place on record appreciation of the valuable services rendered by Mr. Amit Bothra during his tenure.

Mr. Ashok Jain (DIN: 03013476), was appointed as an Additional Independent Director on the Board of the Company on August 13, 2015. In accordance with the requirements of Section 149 and 152 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, his continuation as an Independent Director on the Board of the Company will have to be approved by the Members of the Company.

The requisite resolutions for the appointment of Mr. Ashok Jain as Independent Director, are being proposed in the Notice of the ensuing Annual General Meeting for approval of the Members.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the information on the particulars of the Directors proposed for appointment has been provided in the Notice of the Annual General Meeting.

The Board recommends for shareholders' approval, the re-appointment of Mr. J. T. D'souza as Managing Director and Ms. Punit Neb, as Whole-time Director to be liable to determination by rotation for 3 years w.e.f. December 1, 2015.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013. The Company has also provided suitable training to the Independent Directors.

DEPOSITS

The Company has not invited / accepted any deposits from the public during the year ended March 31, 2015. There were no unclaimed or unpaid deposits as on March 31, 2015.

CORPORATE SOCIAL RESPONSIBILITY

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

NUMBER OF BOARD MEETINGS

The Board met 6 times in financial year 2014 - 2015. The maximum interval between any two meetings did not exceed 120 days.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(3)(C) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit and loss of the Company for that period;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual accounts on a going concern basis; and
- v. They have laid down internal financial controls in the Company that are adequate and are operating effectively; and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NOMINATION AND REMUNERATION COMMITTEE AND ITS POLICY

The Nomination and Remuneration Committee, constituted by the Board of Directors pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. consists of three Directors namely Mr. Santosh Shetty Chairman, Mr. Bharat Jain and Mr. Anand Jain, Members. Mr. Santosh Shetty and Mr. Bharat Jain are Independent Directors.

The committee is responsible to identify persons who are qualified to become directors or senior management employees and recommend to the Board their appointment/removal, oversee and administer executive compensation etc. The Company has formulated the remuneration policy. The details of this policy are available on the Company's website www.sparcsys.com.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

PARTICULARS OF EMPLOYEES

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

EXTRACT OF THE ANNUAL RETURN IN FORM MGT – 9

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014. is annexed and forms a part of this report.

RELATED PARTY TRANSACTIONS

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed and forms a part of this report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company as on March 31, 2015.

RISK MANAGEMENT POLICY

The Company has in place adequate controls with reference to implementation, monitoring, assessing and resolving risk management policy. For each of the risk identified, corresponding controls are assessed and policies and procedure are in place for monitoring, mitigating and reporting risk on a periodic basis. In the opinion of the Board, none of the risks faced by the Company threaten its existence.

ADEQUACY OF INTERNAL CONTROLS

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

AUDIT COMMITTEE

The details pertaining to composition of Audit Committee and its members are included in the Corporate Governance Report which is annexed and forms a part of this Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has an established mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/employees who avail of the mechanism. The Company affirms that no personnel has been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and reportable matters are reported to the Chairman of the Audit Committee. The key actions / directions are informed to the Managing Director of the Company.

LISTING FEES

The Company has paid the listing fees for the year 2014-2015 to Bombay Stock Exchange Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

Detailed notes on Corporate Governance and other such disclosures as are required to be made under the Listing Agreement with the Stock Exchanges, are annexed and form part of this Report. A certificate from the Statutory Auditors of the Company confirming compliance of the Corporate Governance is annexed and forms a part of this Report.

SHARES

During the year under review, the Company has not increased its share capital, bought back securities, issued sweat equity, bonus shares or employees stock option plan.

ACKNOWLEDGMENTS

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

For and on behalf of the Board

J. T. D'souza
Chairman & Managing Director
DIN 00958844
Mumbai, August 13, 2015

ANNEXURE TO DIRECTORS' REPORT
Extract of the Annual Return in Form MGT-9

Form No.MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

i. Registration and Other Details

i.	CIN	L72100MH1989PLC053467
ii.	Registration Date	14/09/1989
iii.	Name of the Company	SPARC SYSTEMS LIMITED
iv.	Category / Sub-Category of the Company	Public Company Limited by Shares
v.	Address of the Registered office and contact details	Plot No. 11 Survey No 118/1-2 Village Pundhe At Post Athgaon, Thane-421601 Phone 27792473 / 27792478 / 27792481 Fax 27792481 Email sparc@mtnl.net.in Website www.sparcsys.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Universal Capital Securities Pvt. Ltd. (Formerly known as Mondkar Computers Pvt Ltd.) 21 Shakil Niwas, Mahakali Caves Road, Andheri (E) Mumbai – 400093 Phone 28207201 / 28207203-05 / 2825 7641 Fax 28207207 Email info@unisec.in Website www.unisec.in

ii. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Electric sound or visual signaling apparatus	8531	100
2	-	-	-
3	-	-	-

iii. Particulars of Holding, Subsidiary And Associate Companies

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
	NA	NA	NA	NA	NA
	NA	NA	NA	NA	NA

iv. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	102,800	23,300	126,100	2.58	102,800	23,300	126,100	2.58	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	126,500	1,096,900	1,223,400	25.02	126,500	1,096,900	1,223,400	25.02	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1)	229,300	1,120,200	1,349,500	27.60	229,300	1,120,200	1,349,500	27.6	0.00
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other ...	-	-	-	-	-	-	-	-	-
Sub-total(A)(2)	0	0	0	0.00	0	0	0	0	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	229,300	1,120,200	1,349,500	27.60	229,300	1,120,200	1,349,500	27.60	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	40,800	40,800	0.83	0	40,800	40,800	0.83	0.00
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	0	40,800	40,800	0.83	0	40,800	40,800	0.83	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	887,697	1,300	888,997	18.18	972,026	0	972,026	19.88	1.70
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	722,385	769,200	1,491,585	30.51	664,684	767,700	1,432,384	29.30	-1.21
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	672,421	154,200	826,621	16.91	661,990	154,200	816,190	16.69	-0.21
c) Others (specify)									
i) Clearing Members	4,200	0	4,200	0.09	4,200	0	4,200	0.09	0.00
ii) NRI / OCB	61,097	226,200	287,297	5.88	49,700	224,200	273,900	5.60	-0.27
Sub-total (B)(2)	2,347,800	1,150,900	3,498,700	71.56	2,352,600	1,146,100	3,498,700	71.56	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	2,347,800	1,191,700	3,539,500	72.40	2,352,600	1,186,900	3,539,500	72.40	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	2,577,100	2,311,900	4,889,000	100.00	2,581,900	2,307,100	4,889,000	100.00	0.00

ii. Shareholding of Promoters

No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	ANAND RAJ JAIN	1,000	0.02	0.00	1,000	0.02	0.00	0.00
2	JUDE TERRENCE D'SOUZA	51,200	1.05	0.00	51,200	1.05	0.00	0.00
3	KHAN ZAFRI ALI	23,300	0.48	0.00	23,300	0.48	0.00	0.00
4	PUNIT MANMOHAN SINGH NEB	28,300	0.58	0.00	28,300	0.58	0.00	0.00
5	RALPH D'SOUZA	10,900	0.22	0.00	10,900	0.22	0.00	0.00
6	RENU JAIN	1,400	0.03	0.00	1,400	0.03	0.00	0.00
7	SYLVIA D'SOUZA	10,000	0.20	0.00	10,000	0.20	0.00	0.00
8	EPSON FINA & INVEST PVT LTD	719,600	14.72	0.00	719,600	14.72	0.00	0.00
9	PINOL FINANCE & INVEST PVT LTD	377,300	7.72	0.00	377,300	7.72	0.00	0.00
10	SATTA SECURITIES PVT LTD	126,500	2.59	0.00	126,500	2.59	0.00	0.00
	Total	1,349,500	27.60	0.00	1,349,500	27.60	0.00	0.00

iii. Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	1,349,500	27.60	1,349,500	27.60
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	There is no change in Promoter Shareholding between 01-04-2014 to 31.03.2015			
At the End of the year	1,349,500	27.60	1,349,500	27.60

iv. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year		Cumulative Shareholding during the year		Shareholding at the end of the year 31.03.2015		
		No. of shares	% of total shares of the Company	Date	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	BHAVNA NARESH JAIN	70,205	1.44	-	-	-	70,205	1.44	70,205	1.44
2	DEVANG K MEHTA	65,164	1.33	-	-	-	65,164	1.33	65,164	1.33
3	GULECHHA INVESTMENT & TRADING CO PVT LTD	159,900	3.27	-	-	-	159,900	3.27	159,900	3.27
4	GUNJAN PATNI	43,500	0.89	-	-	-	43,500	0.89	43,500	0.89
5	KHEM SUM APPARELS OVERSEAS LTD	282,700	5.78	20/03/2015	500	0.01	283,200	5.79	283,230	5.79
				27/03/2015	30	0.00	283,230	5.79		
6	KOUSHALYADEVI MUNDRA	95,000	1.94	-	-	-	95,000	1.94	95,000	1.94
7	NISHA LODHA	72,300	1.48	-	-	-	72,300	1.48	72,300	1.48
8	SAMPAT JASRAJJI BALDIA	87,000	1.78	-	-	-	87,000	1.78	87,000	1.78
9	SANMITRA COMMERCIAL LIMITED	149,874	3.07	-	-	-	149,874	3.07	149,874	3.07
10	VORA CONSTRUCTIONS LIMITED	247,604	5.06	18/04/2014	500	0.01	248,104	5.07	329,222	6.73
				09/05/2014	3,786	0.08	251,890	5.15		
				23/05/2014	26,076	0.53	277,966	5.69		
				20/06/2014	17,502	0.36	295,468	6.04		
				07/04/2014	51	0.00	295,519	6.04		
				22/08/2014	12,361	0.25	307,880	6.30		
				09/05/2014	34	0.00	307,914	6.30		
				31/10/2014	6,882	0.14	314,796	6.44		
				05/12/2014	21,113	0.43	335,909	6.87		
				31/12/2014	8,203	0.17	344,112	7.04		
				27/02/2015	200	0.00	344,312	7.04		

06/03/2015	-100	0.00	344,212	7.04
13/03/2015	-17,350	-0.35	326,862	6.69
20/03/2015	500	0.01	327,362	6.70
27/03/2015	1,860	0.04	329,222	6.73

v. Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	80,500	1.65	80,500	1.65
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	There is no change in Shareholding of Directors and Key Management Personnel between 01-04-2014 to 31.03.2015			
At the end of the year	80,500	1.65	80,500	1.65

vi. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	11,05,000	-	11,05,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total (i+ii+iii)	-	11,05,000	-	11,05,000
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	-	11,05,000	-	11,05,000
Net Change	-	11,05,000	-	11,05,000
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

vii. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		J T D'souza	Punit Neb	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	180,000	90,000	270,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act,1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- others, specify...			
5	Others, please specify	-	-	-
6	Total (A)	180,000	90,000	270,000
7	Ceiling as per the Act	3,000,000	3,000,000	6,000,000

B. Remuneration to other Directors

No.	Particulars of Remuneration	Name of Directors				Total Amount
		Anand Raj Jain	Amit Bothra	Bharat Jain	Santosh Shetty	
1 Independent Directors						
	Fee for attending board committee meetings	NA	-	-	-	-
	Commission	NA	-	-	-	-
	Others, please specify	NA	-	-	-	-
	Total(1)		-	-	-	-
2 Other Non-Executive Directors						
	Fee for attending board committee meetings	-	NA	NA	NA	-
	Commission	-	NA	NA	NA	-
	Others, please specify	-	NA	NA	NA	-
	Total(2)	-	NA	NA	NA	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Over all Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Co. Sec.	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	-	-	48,000	48,000
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
5	Others, please specify	-	-	-	-
	Total	-	-	48,000	48,000

viii. Penalties / Punishment/ Compounding Of Offenses

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made. If any (give details)
A. Company					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. Directors					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. Other Officers In Default					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

ANNEXURE TO DIRECTORS' REPORT

Information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report

A. Conservation of energy-

(i) The steps taken or impact on conservation of energy: NIL

(ii) The steps taken by the company for utilising alternate sources of energy: NIL

(iii) The capital investment on energy conservation equipments: NIL

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 minimise 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)- : NIL

(iv) The expenditure incurred on Research and Development: NIL

C. Foreign exchange earnings and Outgo-

Foreign Exchange earned in terms of Actual Inflows NIL (P.Y. NIL)

Foreign Exchange outgo in terms of Actual Outflows NIL (P.Y. Rs. 27,126)

For and on behalf of the Board

J. T. D'souza
Chairman & Managing Director
DIN 00958844
Mumbai, August 13, 2015

**Form No. MR-3
SECRETARIAL AUDIT REPORT**

For the Company's Financial Year from 1st April, 2014 to 31st March, 2015

[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,
Sparc Systems Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sparc Systems Limited. (hereinafter called "the Company") having CIN L72100MH1989PLC053467. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns 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, I hereby report that in my opinion, the Company has, during the audit period comprising the Company's Financial Year from 1st April, 2014 to 31st March, 2015 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, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; #
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; #
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; #
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 #; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 #;

The Regulations or Guidelines as the case may be was not applicable to the Company for the period under review.

I have relied on the representation made by the Company and its officers for systems and mechanisms developed by the Company in order to ensure compliances under other applicable Acts, Laws and Regulations to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India #.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges;

Not applicable for the period under review.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable, except that pursuant to the provision of section 203 of the Companies Act, 2013, the Company was required to appoint Whole time Company Secretary however the same has not yet been complied with.

I Further Report that:

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

Adequate notices were given to all Directors to schedule the Board 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.

Majority Decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I Further Report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Alka Jain
Company Secretary
ACS No. 17219
C.P. No. 5519**

**Place : Mumbai
Date : 13, August 2015**

**To,
The Members
Sparc Systems Limited**

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express as opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my 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 the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Alka Jain
Company Secretary
ACS No. 17219
C.P. No. 5519**

**Place : Mumbai
Date : 13, August 2015**

Corporate Governance Report

The primary objective of the Corporate Governance is to create and adhere to a corporate culture of transparency and openness. The Company believes in attainment of highest levels of transparency in all facets of its operations and has always focused on good corporate governance.

1. Company's Philosophy on Code of Governance

The Company is committed to good corporate governance practice. The Company ensures that in all its operations and dealings with stakeholders values of fairness, transparency, accountability and equity are adhered to.

2. Board of Directors

The Board comprises of the following members. During the year, the Board met 6 times. Details of attendance at Board Meetings and last AGM are as below

Name	Category	Number of meetings held during the year 2014 – 2015		Last AGM Attended	Number of directorships in other Companies	Number of committee positions held in other public companies as on March 31, 2015	
		Held	Attended			Chairman	Member
Mr. J. T. D'souza	Chairman & Managing Director	6	6	Yes	-	-	-
Ms. Punit Neb	Whole-time Director	6	6	Yes	1	-	-
Mr. Anand Raj Jain	Non-Executive Director	6	6	Yes	4	-	-
Mr. Santosh Shetty	Non-Executive Director / Independent	6	2	Yes	-	-	-
* Mr. Amit Bothra	Non-Executive Director / Independent	6	2	No	-	-	-
Mr. Bharat Jain	Non-Executive Director / Independent	6	3	Yes	-	-	-
** Mr. Ashok Jain	Non-Executive Director / Independent	N.A.	N.A.	N.A.	3	NA	NA

* Mr. Amit Bothra resigned from the Board w.e.f. July 31, 2015.

** Mr. Ashok Jain was appointed as Additional Director w.e.f. August 13, 2015.

None of the Directors hold Directorship in more than 15 Companies or is a member of more than 10 Committees or Chairman of more than 5 Committees across all such Companies.

Brief profile of Independent Director seeking appointment:

Mr. Ashok Jain is a post-graduate in Commerce and has experience of about 15 years and has been associated with various reputed organisations. His appointment would be beneficial to the Company.

Number of Board Meetings held and dates thereof

During the year, 6 Board Meetings were held. The meetings were held on May 30, 2014, August 14, 2014, September 30, 2014, November 14, 2014, February 12, 2015 and March 30, 2015.

Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board Members and members of Senior Management who have affirmed their compliance therewith. The said code is also posted on the Company's website www.sparcsys.com. Annual disclosure has been appended to this Report.

Independent Directors Meeting

During the year under review, the Independent Directors met on 30.03.2015 inter-alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of Chairman of the Company taking into account, the views of Executive and Non Executive Directors.
- Evaluation of the quality content and time lines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

Relationship Between Directors

Mr. J. T. D'souza, Chairman & Managing Director, and Ms. Punit Neb, Whole-time Director, being spouses are related to each other.

3. Audit Committee

The Audit Committee of the Company has Mr. Santosh Shetty, Mr. Anand Raj Jain and Mr. Bharat Jain as members of the Committee. All Committee members are Non Executive Directors, out of which Mr. Santosh Shetty & Mr. Bharat Jain are Independent Directors. The Audit Committee constitution meets with the requirements under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. During the year, the Committee met 4 times. The terms of reference of the Audit Committee are as contained in the Clause 49 of the Listing Agreement. Mr. Bharat Jain, Independent Director is the Chairman of this Committee.

The terms of reference and scope of the Committee include:-

- To recommend the appointment / removal of Auditors, fixing of audit fees and approval of payments,
- To review and monitor the Auditor's independence and performance, and effectiveness of audit process, to examine the financial statements and auditor's report thereon, scrutiny of inter-corporate loans and investments
- To approve or make any subsequent modification of transactions of the Company with related parties,
- To value the undertakings or assets of the Company, wherever it is necessary,
- To evaluate the internal financial controls and risk management systems and
- To monitor the end use of funds raised through public offers and related matters

The Audit Committee also abides by the terms of reference as specified under clause 49(III)(D) of the Listing Agreement with the Stock Exchanges.

During the year ended March 31, 2015, 4 meetings of the Audit Committee were held on May 30, 2014, August 14, 2014, November 14, 2014 and February 12, 2015.

Name of the member	Status	Director Category	No. of meetings attended
Mr. Bharat Jain	Chairman	Non Executive Independent Director	4
Mr. Santosh Shetty	Member	Non Executive Independent Director	2
Mr. Anand Raj Jain	Member	Non Executive Director	4

4. Nomination and Remuneration Committee

Composition & Meetings of Committee

The Nomination and Remuneration Committee comprises of two Independent Non-Executive Directors & one Non Executive Director (including the Chairman of the Committee).

Name	Category Position
Mr. Bharat Jain	Independent Director
Mr. Anand Raj Jain	Non Executive Director
Mr. Santosh Shetty	Independent Director

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

Brief description of terms of reference

The Nomination and Remuneration Committee aims to determine the policy on specific remuneration packages for Executive Directors including any compensation payment. In the absence of any such policy the Committee shall determine the remuneration package for Executive Directors, as and when required. Besides, it also determines remuneration to the relatives of Directors and Senior Employees, if any.

While deciding on the remuneration of the Directors, the Committee considers the performance of the Company, the current trends in the industry, their experience, past performance and other relevant factors. The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to its Managing Director and Whole-Time Director. No remuneration by way of commission was given to any Executive Director.

Remuneration & Meeting of Committee

Remuneration payable is determined in accordance with Remuneration Policy. Remuneration paid to Mr. J. T. D'souza, Managing Director is Rs. 1,80,000/- as salary. Remuneration paid to Ms. Punit Neb, Whole-time Director is Rs. 90,000/- as salary.

There was one meeting of the Remuneration Committee during the year under review.

Details of Equity Shares held by Directors is as below

Name	No. of Equity Shares held
Mr. J. T. D'souza	51200
Ms. Punit Neb	28300
Mr. Anand Raj Jain	1000
Mr. Santosh Shetty	Nil
* Mr. Amit Bothra	Nil
Mr. Bharat Jain	Nil
** Mr. Ashok Jain	Nil

* Mr. Amit Bothra resigned from the Board w.e.f. July 31, 2015.

** Mr. Ashok Jain was appointed as Additional Director w.e.f. August 13, 2015.

5. Stakeholders Relationship Committee

Composition & Meetings of Committee

The Committee comprises of the following Directors

Name	Category Position
* Mr. Amit Bothra	Independent Director
** Mr. Ashok Jain	Independent Director
Mr. Santosh Shetty	Independent Director
Ms. Punit Neb	Whole-time Director

* Mr. Amit Bothra resigned from the Board w.e.f. July 31, 2015.

** Mr. Ashok Jain was appointed as Additional Director w.e.f. August 13, 2015.

On account of resignation of Mr. Amit Bothra, the Stakeholders Relationship Committee has been reconstituted w.e.f. August 13, 2015. In place of Mr. Amit Bothra, Mr. Ashok Jain has been appointed as a committee member.

During the year under review, one meeting of the Stakeholders Relationship Committee was held which was attended by all the members of the committee.

Power & Functions of the Committee

- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, if any, duplicate share certificates, non-receipt of annual report etc.;
- To take action for efficient transfer of shares, including review of cases for refusal of transfer / transmission of shares;
- To take effective action for allotment and listing of shares;
- Issuance of duplicate / split / consolidated share certificates;
- To monitor, under the supervision of the Ms. Punit Neb the complaints received by the Company from SEBI, Stock Exchanges,

Ministry of Corporate Affairs, ROC and the Share / Security holders of the Company etc., and the action taken for redressal of the same.

- f. To monitor and expedite the status and process of dematerialization and rematerialisation of shares of the Company.
- g. To suggest statutory and regulatory authorities regarding investor grievances; and make sure proper and timely attendance and redressal of investor queries and grievances.

Ms. Punit Neb is acting as Compliance Officer for the Company.

Investor Grievance Redressal

During the year under review, no complaints have been received.

6. General Body Meeting

a. Annual General Meeting

The particulars of the Annual General Meetings of the Company held in the last three years are as under

Financial Year	Date of Book Closure		AGM Date & Time	Venue
	From	To		
2011 - 2012	Sep 25, 2012	Sep 29, 2012	Sep 29, 2012 10.00 am	Plot No. 11, Survey No. 118-1 & 2, Village Pundhe, Taluka Shahapur, At Post Athgaon, District Thane - 421601
2012 - 2013	Sep 26, 2013	Sep 30, 2013	Sep 30, 2013 10.00 am	Plot No. 11, Survey No. 118-1 & 2, Village Pundhe, Taluka Shahapur, At Post Athgaon, District Thane - 421601
2013 - 2014	Sep 26, 2014	Sep 30, 2014	Sep 30, 2014 10.00 am	Plot No. 11, Survey No. 118-1 & 2, Village Pundhe, Taluka Shahapur, At Post Athgaon, District Thane - 421601

b. Special Resolutions passed in previous three Annual General Meetings

Date of Annual General Meeting	Particulars of Special Resolution
Sep 30, 2014	<ol style="list-style-type: none"> 1. Change in period of office of Mr. J. T. D'souza, Managing Director, to be liable to be liable to determination by rotation 2. Change in period of office of Ms. Punit Neb, Whole-time Director, to be liable to be liable to determination by rotation 3. Adoption of new set of Articles of Association in conformity with the provisions of Companies Act, 2013
Sep 30, 2013	-
Sep 30, 2012	-

c. Resolutions passed by postal ballot during 2014-2015

During last year, no resolutions were put through postal ballot and neither during the current year any resolution is proposed to be conducted through postal ballot.

7. Disclosures

a. Subsidiary Companies

The Company does not have any subsidiary companies.

b. Notes on Director's appointment and re-appointment

Relevant details form part of the Directors' Report.

c. Disclosures on non-compliances, related party transactions, if any

The Company has complied with the requirement of regulatory authorities on Capital Markets.

Related party transactions have been disclosed as a part of Financial Statements as required under Accounting Standards 18 – Disclosure on Related Party Transactions, issued by the Institute of Chartered Accountants of India.

d. Mechanism / Whistle Blower Policy

The Company has an established mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/employees who avail of the mechanism. The Company affirms that no personnel has been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and reportable matters are reported to the Chairman of the Audit Committee. The key actions / directions are informed to the Managing Director of the Company. The policy also been posted on the website of Company www.sparcsys.com.

e. CEO / CFO Certification

As required under Clause 49 of the Listing Agreement, the CEO certification on the financial statements and other matters has been obtained by J. T. D'souza, Managing Director of the Company and is annexed with this Report.

f. Risk Management Committee

The Company has formed a Risk Management Committee and defined its role and responsibilities. The Committee has formulated a risk management policy of the risk assessment and minimisation procedures.

g. Prohibition of Insider Trading

In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to the Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company.

8. Means of Communication

- a. The quarterly results and annual audited results are published in national and regional newspapers.
- b. These results are also displayed on the Company's website www.sparcsys.com.
- c. These results are submitted to BSE for display on their website www.bseindia.com.
- d. The Management Discussion and Analysis Report is annexed and forms part of this report.
- e. The Shareholding Pattern of the Company is also submitted to BSE and is available on the Company's website www.sparcsys.com.

9. Cautionary Statement

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

10. General Shareholder Information**a. Annual General Meeting**

A. Date & Time	September 30, 2015 at 10.00 am
B. Venue	Plot No. 11, Survey No. 118-1 & 2, Village Pundhe, Taluka Shahapur, At Post Athgaon, District Thane - 421601
C. Dates of Book Closures	September 24, 2015 to September 30, 2015 (Inclusive of both days)
D. Special Resolutions	3 Special Resolution was passed at last AGM
E. Financial Calendar	1 st April to 31 st March

During last year, no resolutions were put through postal ballot and neither during the current year any resolution is proposed to be conducted through postal ballot.

b. Financial Reporting for 2015 – 2016

Event	Period
1 Unaudited Financial Results for quarter ending June 30, 2015	On or before August 14, 2015
2 Unaudited Financial Results for quarter ending September 30, 2015	On or before November 14, 2015
3 Unaudited Financial Results for quarter ending December 31, 2015	On or before February 14, 2016
4 Audited Financial Results for the year ending March 31, 2016	On or before May 30, 2016
5 Annual General Meeting for the year ended March 31, 2016	End of September 2016

c. Date of Book Closure and Annual General Meeting in last three years

Financial Year	Date of Book Closure		AGM Date & Time	Venue
	From	To		
2011 - 2012	Sep 25, 2012	Sep 29, 2012	Sep 29, 2012 10.00 am	Plot No. 11, Survey No. 118-1 & 2, Village Pundhe, Taluka Shahapur, At Post Athgaon, District Thane - 421601
2012 - 2013	Sep 26, 2013	Sep 30, 2013	Sep 30, 2013 10.00 am	Plot No. 11, Survey No. 118-1 & 2, Village Pundhe, Taluka Shahapur, At Post Athgaon, District Thane - 421601
2013 - 2014	Sep 26, 2014	Sep 30, 2014	Sep 30, 2014 10.00 am	Plot No. 11, Survey No. 118-1 & 2, Village Pundhe, Taluka Shahapur, At Post Athgaon, District Thane - 421601

d. Details of Extra-ordinary General Meeting in last three years

Year	Date	Location
2012	Nov 30, 2012	Plot No. 11, Survey No. 118-1 & 2, Village Pundhe, Taluka Shahapur, At Post Athgaon, District Thane - 421601

e. Share Transfer System

Trading in Equity Shares of the Company is permitted only in dematerialised form. Equity Shares lodged for transfer in physical form are inwarded, scrutinized, verified, transferred and dispatched between 10 to 15 days from the date of receipt, if the documents are in order in all respects. Documents having deficiency are rejected & dispatched back to transferee citing reason for rejection. Where requests for dematerialisation are received simultaneously, the same are also processed separately.

f. Dematerialization of Shares and Liquidity

All Equity Shares of the Company are under compulsory dematerialisation for delivery on transfer. As at March 31, 2015, the number of Equity Shares of the Company in dematerialised form stood at **25,80,600** out of the total 48,89,000 Equity Shares issued by the Company.

g. Shareholding Pattern as on March 31, 2015

Category	No. of Shares held	% of holding
A. Promoter's Holding		
Promoter & Promoter Group	1,349,500	27.60
	Sub-Total	1,349,500
B. Non-Promoters Holding		
Mutual Funds and UTI	40,800	0.83
	Sub-Total	40,800
C. Others		
Private Corporate Bodies	972,026	19.88
Indian Public	2,248,574	45.99
NRIs/OCBs	273,900	5.60
Any other (please specify)	4,200	0.09
	Sub-Total	3,498,700
	GRAND TOTAL	4,889,000
	Total Foreign Shareholding	273,900
		5.60

h. Distribution of Shareholding as of March 31, 2015

Number of Shares	Shareholders		Share holdings		Share Amount	
	Number	%	Holdings	%	Rs.	%
Up to 500	1,483	60.407	415,650	8.502	4,156,500.00	8.502
501- 1000	661	26.925	605,601	12.387	6,056,010.00	12.387
1001-2000	167	6.802	272,339	5.570	2,723,390.00	5.570
2001-3000	43	1.752	113,842	2.329	1,138,420.00	2.329
3001-4000	16	0.652	58,186	1.190	581,860.00	1.190
4001-5000	21	0.855	99,314	2.031	993,140.00	2.031
5001-10000	25	1.018	186,317	3.811	1,863,170.00	3.811
10001 & above	39	1.589	3,137,751	64.180	31,377,510.00	64.180
Total	2,455	100.000	4,889,000	100.000	48,890,000.00	100.000

i. Market Price Data

	Bombay Stock Exchange Limited				
	OPEN (Rs.)	HIGH (Rs.)	LOW (Rs.)	CLOSE (Rs.)	VOLUME (Nos.)
April 2014	2.9	3.65	2.62	3.65	30,463
May 2014	3.83	6.36	3.83	6.36	53,626
June 2014	6.48	7.84	6.21	6.21	45,214
July 2014	6.09	6.09	3.74	4.78	16,691
August 2014	5.01	5.01	3.04	3.04	341
September 2014	2.9	2.9	2.29	2.29	10,618
October 2014	2.4	4.24	2.4	4.24	3,003
November 2014	4.45	5.99	4.45	5.23	47,024
December 2014	5.45	6.59	5	6.27	12,374
January 2015	6	6.3	6	6.3	1,760
February 2015	5.99	6.24	5.15	6.24	1,551
March 2015	6.55	8.26	5.41	5.41	44,422

j. Outstanding GDRs /ADRs or any convertible instruments, conversion date and likely impact on equity
Not Applicable**k. Stock Exchanges on which Company's Equity Shares are listed**

The Company's Equity Shares are listed on the Stock Exchanges at Mumbai

Stock Scrip Code

531370

International Securities Identification Number (ISIN)

INE960B01015

The Company has paid listing fees for the year 2015-2016 to Bombay Stock Exchange Ltd.

l. Registrars and Share Transfer Agents

Universal Capital Securities Pvt. Ltd. (Formerly known as Mondkar Computers Pvt Ltd.)

m. Investors Correspondence

Corporate Office: #16 Ground Floor, Lovely, Sector 2, Airoli West, Navi Mumbai - 400708
Phone 2779 2473 / 2779 2478 / 2779 2481 Fax 2779 2481
Email sparc@mtnl.net.in Website www.sparcsys.com

Registered Office: Plot No. 11, Survey No. 118-1 & 2, Village Pundhe, Taluka Shahapur,
At Post Athgaon, District Thane - 421601
Phone 9820700310 Fax 27792481

Share Transfer Agent: Universal Capital Securities Pvt. Ltd. (Formerly known as Mondkar Computers Pvt Ltd.)
21 Shakil Niwas, Mahakali Caves Road, Andheri (E), Mumbai – 400093
Phone 28207201 / 28207203-05 / 2825 7641
Fax 28207207 Email info@unisec.in Website www.unisec.in

For and on behalf of the Board

J. T. D'souza
Chairman & Managing Director
DIN 00958844
Mumbai, August 13, 2015

Code of Conduct Declaration

As provided under Clause 49 of the Listing Agreement with Stock Exchanges, the Board Members and senior members personnel of the Company have confirmed compliance with the code of conduct for the year ended March 31, 2015.

J. T. D'souza
Chairman & Managing Director
Mumbai, May 29, 2015

Chief Executive Officer (CEO) Certification

I, J. T. D'souza, Managing Director of Sparc Systems Limited, to the best of our knowledge and belief certify that:

1. I have reviewed the Financial Statements and the Cash Flow Statement for the year 2014 - 2015 and that to the best of my knowledge and belief;
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. I further state that to the best of my knowledge and belief, no transactions are entered into by the Company during the years which are fraudulent, illegal or violative of the Company's Code of Conduct. I hereby declare that all members of the Board of Directors and the Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same;
4. I have indicated to the Auditors and the Audit Committee: -
 - a. Significant changes, if any, in internal control over financial reporting during the year;
 - b. Significant changes, if any, in accounting policies during the year and the same have been disclosed in the Notes to the Financial Statements; and
 - c. Instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

J. T. D'souza
Chairman & Managing Director
Mumbai, May 29, 2015

Auditors' Certificate on Corporate Governance Compliance

To
The Members
Sparc Systems Limited

We have examined the compliance of conditions of Corporate Governance by Sparc Systems Limited for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended / pending for more than 30 days.

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

For R Soni & Co.
Chartered Accountants
FRN 130349W

Rajesh Soni
Partner
M No 133240
Mumbai May 29, 2015

Management Discussion and Analysis

Overview

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

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

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

Outlook on Opportunities

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

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

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

Outlook on Threats, Risks and Concerns

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

Segment-wise Performance

The Company operates from a single segment which comprises of Software and Hardware Electronic Security Solutions. During the year, the revenue from operations amounted Rs. 5.75 lacs.

Internal Control Systems and Adequacy

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

Financial Performance

The income of the Company from operations for the financial year 2014 - 2015 was Rs. 5.75 lacs as compared to Rs. 16.61 lacs during the previous year. The Company has incurred a net loss amounting Rs.67.13 lacs as compared to a net loss of Rs. 23.79 lacs during the previous year.

Human Resources

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

Independent Auditors' Report

To
The Members of Sparc Systems Limited

March, 2015, and its loss and its cash flows for the year ended on that date.

We have audited the accompanying financial statements of **SPARC SYSTEMS LTD** ("the Company"), which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss of the Company for year then ended, the Cash Flow statement of the Company for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 31st

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 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 obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and read with Rule 7 of the Companies (Accounts) Rule 2014.
 - e. On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. 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. There are no pending litigations to be disclosed in 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 is no amount required to be transferred, to investor Education and Protection Fund by the company.

For R Soni & Co.
Chartered Accountants
FRN 130349W

Rajesh Soni
Partner
M No 133240
Mumbai, May 29, 2015

Annexure to Auditors' Report

(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Sparc Systems Limited for the year ended March 31, 2015)

- i.
 - a. As explained to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. All the assets have been physically verified by the Management during the year. No material discrepancies were noticed on such verification.
- ii.
 - a. The inventories held by the Company has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. According to the records produced before us for our verification, there were no material discrepancies notices on physical verification of stocks referred to in para 2(a) above as compared to the books records.
- iii. The Company has not granted unsecured Loan to party covered in the register maintained under section 189 of the Companies Act 2013. Hence clause (a) & (b) are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchases of fixed assets and sale of services. The activity of the Company has involved purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii.
 - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.3.2015 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
 - c. According to the information and explanations given to us there are no amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- viii. The Company has accumulated losses at the end of the financial year and has also incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- x. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. In our opinion and according to the information and explanation given to us, no term loans have been availed.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

**For R Soni & Co.
Chartered Accountants
FRN 130349W**

**Rajesh Soni
Partner
M No 133240
Mumbai, May 29, 2015**

Balance Sheet as at March 31, 2015

Particulars	Note	As At 31/03/2015 Rs.	As At 31/03/2014 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	49,685,000	49,685,000
Reserves & Surplus	3	(14,451,709)	(7,687,369)
		35,233,291	41,997,631
Non-Current Liabilities			
Long-Term Borrowings	4	-	1,105,000
Deferred Tax Liability (Net)	5(a)	-	262,986
Other Long Term Liabilities		-	-
Long-Term Provisions		-	-
		-	1,367,986
Current Liabilities			
Short-Term Borrowings		-	-
Trade Payables	6	174,596	229,691
Other Current Liabilities	7	721,899	960,009
		896,495	1,189,700
TOTAL		36,129,786	44,555,317
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8	1,748,455	1,950,789
Intangible Assets		-	-
Capital work-in-progress		-	-
Intangible Assets under development		-	-
Non-Current Investments		-	-
Deferred Tax Assets (Net)	5(b)	69,252	-
Long Term Loans & Advances	9	16,289,654	23,341,934
		18,107,361	25,292,723
Current Assets			
Inventories	10	55,000	130,500
Trade Receivables	11	295,853	563,278
Cash and Cash Balance	12	611,011	69,434
Short-term Loans & Advances	13	16,971,833	18,474,819
Other Current Assets	14	88,728	24,563
		18,022,425	19,262,594
TOTAL		36,129,786	44,555,317

Significant Accounting Policies and Notes to Accounts

1-22

As per our attached report of even date
For R Soni & Co.
Chartered Accountants
FRN 130349W

For and on behalf of the Board

Rajesh Soni
Partner
M No 133240
Mumbai May 29, 2015

J. T. D'souza
Chairman & Managing Director
DIN: 00958844

Punit Neb
Director
DIN: 01026300

Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Note	Year Ended 31/03/2015 Rs.	Year Ended 31/03/2014 Rs.
INCOME			
Revenue from operations	15	575,169	1,661,112
Other Income	16	120,000	182,560
Total Revenue		695,169	1,843,672
EXPENSES			
Purchase of Stock in Trade	17	-	242,998
Cost of Material Consumed	18	327,525	847,158
Changes in Inventory	19	-	-
Employee Benefit Expenses	20	548,118	389,544
Other Expenses	21	6,713,769	2,186,853
Depreciation	8	128,682	582,938
Total Expenses		7,718,094	4,249,491
Profit / (Loss) Before Exceptional, Extraordinary & Prior Period Item		(7,022,925)	(2,405,819)
Prior-Period Expenses		-	101,702
Profit / (Loss) Before Tax		(7,022,925)	(2,507,521)
Tax Expenses			
Less: Current Tax		-	-
Less: Income Tax of earlier year		-	10,757
Add: Deferred Tax		(309,480)	139,176
PROFIT / (LOSS) FOR THE YEAR AFTER TAX		(6,713,445)	(2,379,102)
Earning per Equity Share			
Basic		(1.37)	(0.49)
Diluted		(1.37)	(0.49)
Face Value of Share		10	10

Significant Accounting Policies and Notes to Accounts 1-22

As per our attached report of even date

For R Soni & Co.

For and on behalf of the Board

Chartered Accountants
FRN 130349W

Rajesh Soni
Partner
M No 133240
Mumbai May 29, 2015

J. T. D'souza
Chairman & Managing Director
DIN: 00958844

Punit Neb
Director
DIN: 01026300

Cash Flow for the year ended March 31, 2015

Particulars	Year ended 31/03/2015 Rs.	Year ended 31/03/2014 Rs.
Cash Flow From Operating Activities		
Profit Before Tax	(7,022,925)	(2,518,278)
Adjustments for:		
Depreciation	128,682	582,938
Interest Income	(120,000)	(138,000)
Balance Written off / Back	-	(44,560)
Provision for bad advances	4,369,986	1,777,620
Operating Profit before Working Capital Changes	(2,644,257)	(340,280)
Adjustments for:		
(Increase) / Decrease in Inventories	75,500	5,180
(Increase) / Decrease in Trade Receivables	267,425	(148,303)
(Increase) / Decrease in Short-term Loans & Advances & other current assets	(2,931,165)	150,645
(Increase) / Decrease in Term Loans & Advances	7,052,280	-
(Increase) / Decrease in Current Liabilities	(293,205)	(275,050)
Cash Generated from Operations	1,526,577	(607,808)
Taxes Paid	-	-
Net Cash Flow From / (Used in) Operating Activities	(A) 1,526,577	(607,808)
Cash Flow From / (Used in) Investing Activities		
Interest Received	120,000	138,000
Net cash From / (Used in) Investing Activities	(B) 120,000	138,000
Cash Flow From / (Used In) Financing Activities		
Proceeds from Borrowing (Net)	(1,105,000)	100,000
Net Cash Flow From / (Used in) Financing Activities	(C) (1,105,000)	100,000
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	541,577	(369,808)
Opening Cash & Cash Equivalents	69,434	439,242
Closing Balance of Cash & Cash Equivalents (Refer Note 1 Below)	611,011	69,434

1. Cash and cash equivalents consist of cash on hand & balances with banks. Cash and cash equivalents included in Cash Flow Statement comprise of the following Balance Sheet items

Particulars	2015 Rs.	2014 Rs.
Cash in hand	361,442	20,139
Balance with Banks in Current Account	249,569	49,295
	611,011	69,434

2. The above Cash Flow Statement have been prepared under indirect method set out in Accounting Standard 3 'Cash Flow Statements' as specified in Companies Accounting Standard Rules, 2006
3. Previous year's figures have been regrouped / reclassified wherever necessary to conform to current year's classification

As per our attached report of even date

For R Soni & Co.

For and on behalf of the Board

Chartered Accountants
FRN 130349W

Rajesh Soni
Partner
M No 133240
Mumbai May 29, 2015

J. T. D'souza
Chairman & Managing Director
DIN: 00958844

Punit Neb
Director
DIN: 01026300

Notes annexed and forming part of the Financial Statements

Corporate Information

The Company was incorporated in the state of Maharashtra, India on 14/9/1989 and is listed on Bombay Stock Exchange (BSE). The Company's line of business involves Software and Hardware Electronic Security Solutions.

Note 1 - Significant Accounting Policies

a. Basis & Method of Accounting

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). 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.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted Accounting principles requires the management to make estimates and assumptions that affects the reported balances of assets and liabilities as of the date of financial statement and reported amount of income and expenses during the year.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates 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.

c. Fixed Assets

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets are ready for use. Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

d. Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceed the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which the asset is identified as being impaired.

e. Depreciation

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. Revenue recognition

Sales represent invoice value of goods supplied and service rendered, including Sales Tax applicable and are net of rate difference and goods returned.

g. Inventories

Inventories are valued at cost or net realizable value whichever is lower. The cost is worked out on weighted average basis.

h. Research and Development Expenses

Expenditure relating to capital items is debited to fixed assets and depreciated at applicable rates. Revenue expenses are charged to the Statement of Profit & Loss of the year.

i. Retirement Benefits

Retirement benefits are given as per term & condition of contract with employee. Short term employee's benefits are recognized at the undiscounted amount in the profit and loss account.

j. Taxation

Income-tax expenses comprises current tax and deferred tax charge or credit. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.

k. Earning per Share

The earnings considered in ascertaining the Company's EPS are computed as per Accounting Standard 20 on "Earning Per Share", issued by the Institute of Chartered Accountants of India. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

l. Segment Reporting

The Company is engaged in the Software and Hardware Electronic Security Solutions thereof being a single segment hence disclosure as requirements of Accounting Standard AS-17 issued by the Institute of Chartered Accountants of India is not applicable.

m. Other Accounting policies

These are consistent with generally accepted accounting practices.

	As At 31/03/2015 Rs.	As At 31/03/2014 Rs.
NOTE 2 - SHARE CAPITAL		
Authorised Capital		
6000000 (6000000) Equity Shares of Rs. 10/-each	60,000,000	60,000,000
Issued & Subscribed Capital		
5040000 (5040000) Equity Shares of Rs. 10/- each	50,400,000	50,400,000
TOTAL	50,400,000	50,400,000
Paid-up Capital		
4889000 (4889000) Equity Shares of Rs. 10/- each	48,890,000	48,890,000
Add: Forfeited Equity Shares	795,000	795,000
	49,685,000	49,685,000

(a) Reconciliation of Equity Shares outstanding at the beginning and end of the reporting period.

	As At 31/03/2015 Rs.	As At 31/03/2014 Rs.
	In Value	
At the beginning of the reporting period	48,890,000	48,890,000
Equity issued during the period	-	-
At the end of the reporting period	48,890,000	48,890,000
	In numbers	
At the beginning of the reporting period	4,889,000	4,889,000
Equity issued during the period	-	-
At the end of the reporting period	4,889,000	4,889,000

(b) Term & right 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, a shareholder will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the Equity Share held by the share holder.

Details of shareholders holding more than 5% Equity Shares in the Company

	As at 31-03-2015		As at 31-03-2014	
	Number	% of holding	Number	% of holding
Equity Shares of Rs 10/- each fully paid				
Epson Finance & Inv Pvt Ltd	719,600	14.72	719,600	14.72
Pinol Finance & Inv Pvt Ltd	377,300	7.72	377,300	7.72
Khem Sum Apparels Overseas Ltd	289,665	5.92	294,110	6.02
Vora Constructions Limited	329,222	6.73	247,604	5.06

NOTE 3 - RESERVES & SURPLUS

	As At 31/03/2015 Rs.	As At 31/03/2014 Rs.
Balance as at the beginning of the year	(7,687,369)	(5,308,267)
Profit / (Loss) for the current year	(6,713,445)	(2,379,102)
Transferred to retained earning (net of Deferred Tax)	50,895	-
Net Surplus / (Deficit) in the Statement of Profit and Loss Account	(14,451,709)	(7,687,369)

	As At 31/03/2015 Rs.	As At 31/03/2014 Rs.								
NOTE 4 – LONG TERM BORROWINGS										
Unsecured Loan										
From Directors	-	1,105,000								
TOTAL	-	1,105,000								
<i>Loan taken from J.T. D'souza Rs.NIL (PY Rs. 10,85,000) and Punit Neb Rs. NIL (PY Rs. 20,000)</i>										
NOTE 5(a) – DEFERRED TAX LIABILITY (NET)										
On account of difference between depreciation as per Books & Income tax Act	-	262,986								
TOTAL	-	262,986								
NOTE 5(b) – DEFERRED TAX Assets (NET)										
On account of difference between depreciation as per Books & Income tax Act and Tax Loss (net)	69,252	-								
TOTAL	69,252	-								
NOTE 6 – TRADES PAYABLE										
Due to MSME	-	-								
Due to others	174,596	229,691								
TOTAL	174,596	229,691								
NOTE 7 - OTHER CURRENT LIABILITIES										
Advances from Customers	584,520	674,520								
Statutory Dues	22,407	262,671								
Creditors for Expenses	114,972	22,818								
TOTAL	721,899	960,009								
NOTE 8 - FIXED ASSETS										
Particulars	Gross Block			Depreciation			Value Transferred to retain earning of an asset useful life is NIL	Net Block		
	Value at the beginning	Add. during the year	Ded. during the year	Value at the end	Value at the beginning	Add. during the year		Value at the end	WDV as on 31/3/2015	WDV as on 31/3/2014
Tangible Assets										
Land	50,850	-	-	50,850	-	-	-	-	50,850	50,850
Buildings	3,883,654	-	-	3,883,654	2,402,648	128,682	2,531,330	-	1,352,324	1,481,006
Plant & Machinery	6,731,071	-	-	6,731,071	6,417,558	-	6,417,558	-	313,513	313,513
Furniture & Fixtures	531,629	-	-	531,629	431,394	-	431,394	73,653	26581	100,235
Dies and Molds	967,558	-	-	967,558	962,371	-	962,371	-	5,187	5,187
Total (A)	12,164,762	-	-	12,164,762	10,213,971	128,682	10,342,653	73,653	1,748,455	1,950,791
Intangible Assets										
Total (B)	-	-	-	-	-	-	-	-	-	-
Capital Work-in-progress										
Total (C)	-	-	-	-	-	-	-	-	-	-
Total (A+B+C) (Current Year)	12,164,762	-	-	12,164,762	10,213,971	128,682	10,342,653	73,653	1,748,455	1,950,791
(Previous Year)	12,164,762	-	-	12,164,762	18,566	11,063	29,629	-	202,934	208,854

	As At 31/03/2015 Rs.	As At 31/03/2014 Rs.
NOTE 9 - LONG TERM LOANS & ADVANCES		
Capital Advances	16,289,654	23,341,934
TOTAL	16,289,654	23,341,934
NOTE 10 – INVENTORIES		
Raw materials and consumable items	55,000	130,500
Finished Goods	-	-
TOTAL	55,000	130,500
NOTE 11 - TRADE RECEIVABLES		
Outstanding for more than six months		
a) Secured, Considered Good	-	-
b) Unsecured, Considered Good	224,978	273,408
c) Doubtful	-	-
Others		
a) Secured, Considered Good	-	-
b) Unsecured, Considered Good	70,875	289,870
c) Doubtful	-	-
TOTAL	295,853	563,278
NOTE 12 - CASH & CASH EQUIVALENTS		
Cash in hand	361,442	20,139
Balance with Bank	249,569	49,295
TOTAL	611,011	69,434
NOTE 13 - SHORT-TERM LOANS AND ADVANCES		
Unsecured considered good		
Advances	6,147,606	6,147,606
Less – Provision for Bad Advances	(6,147,606)	(1,777,620)
Loan to Others	1,108,000	1,108,000
Advance to others	15,839,318	12,972,318
Deposits	24,515	24,515
TOTAL	16,971,833	18,474,819
NOTE 14 - OTHER CURRENT ASSETS		
Balance with Govt Authorities	20,689	13,080
Other Receivable	68,039	11,483
TOTAL	88,728	24,563

	Year Ended 31/03/2015 Rs.	Year Ended 31/03/2014 Rs.
NOTE 15 - REVENUE FROM OPERATIONS		
Sale of Products		
Manufacturing Turnover- Electronic Equipments	242,219	1,359,990
Less- Excise Duty	-	-
Total (A)	242,219	1,359,990
Trading Turnover (Electronic Equipments)	-	301,122
Total (B)	-	301,122
Sale of Service		
Service Charges	332,950	-
Total (C)	332,950	-
Total Turnover Total (A+B+C)	575,169	1,661,112
NOTE 16 - OTHER INCOME		
Balance Written Back	-	44,560
Interest	120,000	138,000
TOTAL	120,000	182,560
NOTE 17 - PURCHASES OF STOCK IN TRADE		
Electronic Equipments	-	242,998
TOTAL	-	242,998
NOTE 18 - COST OF MATERIAL CONSUMED		
Opening Stock: Raw Material	130,500	135,680
Add: Purchase of Electronic Equipment	33,410	743,611
Add: Factory Expenses	104,540	98,367
Add: Factory Labor Charges	114,075	-
Closing Stock: Raw Material	55,000	130,500
TOTAL	327,525	847,158
NOTE 19 - CHANGES IN INVENTORY		
Finished Goods:		
Opening Stock	-	-
Less: Closing Stock	-	-
TOTAL	-	-
NOTE 20 - EMPLOYEE BENEFIT EXPENSES		
Salary & Stipend	181,330	143,604
Directors' remuneration	270,000	210,000
Staff welfare	91,332	35,940
Workman Insurance Expenses	5,456	-
TOTAL	548,118	389,544

	Year Ended 31/03/2015 Rs.	Year Ended 31/03/2014 Rs.
NOTE 21 - OTHER EXPENSES		
Payment to Auditor:		
Audit Fee	22,472	22,472
Company Law Matters	37,272	-
Bank Charges	1,259	645
Conveyance	44,202	30,639
Electricity Expenses	13,055	30,360
Listing Fees, Registrar fees, Custodial Fees	203,388	103,387
Membership Fee	110,000	-
Office Expenses	19,909	2,557
Printing and Stationary	24,618	26,830
Professional Fees	80,000	-
Provision for Bad Advances	4,369,986	1777620
Repairs & Maintenance	51,127	-
ROC Expenses	20,993	-
Sales Promotion	168,845	142,741
Sundry Balance written off	1,255,216	-
Telephone Expenses	31,386	39,417
Traveling	252,597	10,185
Website Charges	7,444	-
TOTAL	6,713,769	2,186,853

NOTE 22 – NOTES TO ACCOUNTS**22.1 DEFERRED TAXATION**

As per Accounting Standard 22 “Accounting for Taxes on Income”, required disclosure are give below:

	31.03.2015	31.03.2014
Deferred Tax Liabilities		
Arising on account of timing difference Fixed Assets excess net block over written Down value as per the provisions of the Income Tax Act, 1961	-	262,986
Deferred Tax Assets		
Arising on account of timing difference between depreciation as per books & Income Tax Act and Tax Loss (net)	69,252	-
Net Deferred Tax Assets (Liability)	69,252	(262,986)
Impact of Retain Earning Transfer on Deferred Tax	22,759	-
(Debited) or Credited to P & L A/c	(309,480)	139,176

22.2 MANAGERIAL REMUNERATION

Managerial remuneration paid or payable during the financial year is as under:

Particulars	31.03.2015	31.03.2014
Remuneration to Managing Director	180,000	120,000
Remuneration to Whole-time Director	90,000	90,000
Remuneration to CFO	48,000	-

22.3 FOREIGN INCOME & OUTGO

Particulars	2014-2015	2013-2014
Earning in Foreign Currency	-	-
Expenditure incurred in Foreign Currency		
Raw Material	-	27,126

22.4 EARNING PER SHARE

In compliance of Accounting Standard -20 on "Earning Per Share" issued by The Institute of Chartered Accountants of India, the computation of Earning per share is as under:

Particulars	31.03.2015	31.03.2014
Net Profit / (Loss) After Tax	(6,713,446)	(2,379,102)
Weighted average number of Equity Shares	4,889,000	4,889,000
Nominal Value of Equity Share	10	10
Earning Per Share Basic & Diluted	(1.37)	(0.49)

22.5 RELATED PARTY TRANSACTIONS**List of Related Party**

Name	Designation
J. T. D'souza	Chairman & Managing Director
Punit Neb	Whole - time Director
Anand Raj Jain	Non-Executive Director

In accordance with the Accounting Standard 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the transactions with the related parties of the Company are disclosed below:

#	Name of Party	Nature of Relationship	Nature of Transaction	2014 - 2015 Rs.	2013 - 2014 Rs.
1	J. T. D'souza	Managing Director	Loan Taken	-	80,000
			Loan Repaid	1,085,000	-
			Loan Outstanding	-	1,085,000
2	J. T. D'souza	Managing Director	Remuneration	180,000	120,000
3	Punit Neb	Whole-time Director	Loan Taken	-	20,000
			Loan Repaid	20,000	-
			Loan Outstanding	-	20,000
4	Punit Neb	Whole-time Director	Remuneration	90,000	90,000
5	Anand Raj Jain	Director	Loan Taken	634,000	-
			Loan Repaid	634,000	-
			Loan Outstanding	-	-

22.6 - OTHER NOTES

- There is no impairment of assets as per AS 28 issued by ICAI.
- There are no dues to Small/Micro undertaking.
- Contingent Liabilities - NIL
- In the opinion of the Board, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount which they are stated and adequate provision of all known liabilities of the Company has been made. Further balances are subject to confirmation.
- Previous year figures have been regrouped, reclassified and recast wherever considered necessary.
- Figures have been rounded off to nearest rupee.

As per our attached report of even date

For R Soni & Co.

Chartered Accountants
FRN 130349W

For and on behalf of the Board

Rajesh Soni
Partner
M No 133240
Mumbai May 29, 2015

J. T. D'souza
Chairman & Managing Director
DIN: 00958844

Punit Neb
Director
DIN: 01026300

SPARC SYSTEMS LIMITED

ATTENDANCE SLIP

Reg. Off: Plot No.11, Survey No.118/1 & 118/2, Village Pundhe, Taluka Shahapur, At Post Athgaon, District Thane 421601
www.sparcsys.com sparc@mtnl.net.in CIN L72100MH1989PLC053467

DP ID	
Client ID / Folio No.	
No. of Shares	

NAME & ADDRESS OF THE REGISTERED SHARE HOLDERS / PROXY HOLDER

I certify that I am a registered Shareholder / Proxy for the registered Shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company to be held on Wednesday, September 30, 2015 at the Registered Office of the Company at Plot No.11, Survey No.118/1 & 118/2, Village Pundhe, Taluka Shahapur, At Post Athgaon, District Thane – 421601.

Member's / Proxy's name in Block Letters

SIGNATURE

Note: Shareholder / Proxy holder wishing to attend the meeting must bring duly completed & signed Attendance Slip to the meeting and handover at the entrance

SPARC SYSTEMS LIMITED

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**FORM NO. MGT-11
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

26th ANNUAL GENERAL MEETING - Wednesday, September 30, 2015 AT 10.00 AM

Name of the member(s)		E-mail Id	
Registered address		Folio No / Client Id	
		DP Id	
Joint Holder(s)		No. of Shares held	

I / We..... being Member(s) of _____ shares of above named company hereby appoint

1. Name Address

Email-Id Signatureor failing him / her

2. Name Address

Email-Id Signatureor failing him / her

3. Name Address

Email-Id Signatureor failing him / her

as my / our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the Annual General Meeting of the Company, to be held on Wednesday, September 30, 2015 at 10.00 am. at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below.

No.	Resolution	For	Against
Ordinary Business:			
1	To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2015 including the Audited Balance Sheet as at March 31, 2015 and the Statement of Profit & Loss Account and Cash Flow for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.		
2	To appoint a Director in place of Mr. J T D'souza (DIN: 00958844), who retires by rotation and being eligible, offers himself for re-appointment.		
3	Ratification of appointment M/s. M/s. R Soni & Co., Chartered Accountants, Mumbai (ICAI Registration Number 130349W), as the Statutory Auditors and fixing their remuneration.		
Special Business:			
4	To appoint Mr. Ashok Jain (DIN: 03013476) as an Independent Director.		
5	To re-appoint Mr. Jude Terrence D'souza (DIN: 00958844) as Chairman & Managing Director.		
6	To re-appoint Ms. Punit Neb (DIN: 01026300) as a Whole-time Director.		

Signature of Shareholder Signed this day of 2015

Signature of Proxy holder(s)

Note:

- This form of proxy in order to be effective, should be signed and deposited at Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- A proxy need not be a member of the Company.
- A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

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Revenue
Stamp of
Rs. 1/-

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