

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



Date: 29.09.2022

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

Ref: BSE Scrip Code: 531370
Sub: Draft Letter of Offer for Right issue upto Rs.30 Crores

Dear Sir/Madam,

In terms of Regulation 30 of Securities & Exchange Board of India (Listing Obligations and Disclosures) Regulations, 2015 read with necessary provisions and regulation of SEBI (ICDR) Regulations, 2018 as amended and such other application regulations, this is to inform that the Right Issue Committee of the Company at its meeting held on today 29th September, 2022 at 05.00 p.m. has approve the attached draft letter of offer in connection with proposed Right Issue up to an amount of Rs.30 crores.

Kindly acknowledge the Receipt and take the same in your record.

Thanking You,
Yours Faithfully.

For Sparc Electrex Limited
(Formerly Sparc Systems Ltd)

SHOBITH
GANESH
HEGDE

Digitally signed by SHOBITH GANESH HEGDE
DN: cn=Shobith GANESH HEGDE, o=Sparc Electrex Limited,
ou=Maharashtra, email=info@sparcelectrex.com, serialNumber=C79D8B884B8E745C8D58A982
7D28A7 C8961F8A20812D884F88A8A41A2A2A2,
cn=SHOBITH GANESH HEGDE
Date: 2022.09.29 21:52:17 +05'30'

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

Encl: a/a

SPARC ELECTREX LIMITED
(Formerly known as Sparc Systems Limited)

Our Company was originally incorporated under the provisions of The Companies Act, 1956 as 'Sparc Systems Private Limited' on September 14, 1989, with the Registrar of Companies, Maharashtra. In the Financial Year 1994, the Company was converted from Private Limited Company into a Public Limited Company vide Extra-Ordinary General Meeting held on December 03, 1994, and in pursuance of which the private word had been deleted from the name of our Company, effecting the name change to 'Sparc Systems Limited', and a fresh certificate of incorporation consequent upon change of name being granted by the Registrar of Companies, Maharashtra on January 18, 1994. The Equity Shares of our Company got listed on January 22, 1996, with BSE. The name of our Company was further changed to its present name 'Sparc Electrex Limited' pursuant to a special resolution of our shareholders passed in an extra-ordinary general meeting dated November 29, 2021, and a fresh certificate of incorporation dated January 13, 2022, consequent on such change of name was issued to our Company by the Registrar of Companies, Maharashtra. For further details, kindly refer to the section titled '**General Information**' beginning on page 41 of this Draft Letter of Offer.

Corporate Identification Number: L72100MH1989PLC053467;

Registered Office: 1202, 12th Floor, Esperanza Building, Next to Bank of Baroda, 198, Linking Road, Bandra (West), Mumbai – 400050, Maharashtra, India;

Contact Number: +91-9819001811; **Contact Person:** Ms. Tejashri Kulkarni, Company Secretary and Compliance Officer;

Email-ID: sparcelectrex@gmail.com/sparcelectrex1@gmail.com **Website:** www.sparcelectrex.com;

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY

THE PROMOTERS OF OUR COMPANY ARE MR. SHOBHA ANANT HEGDE, M/S ELECTREX INTERNATIONAL PRIVATE LIMITED, AND M ELECTREX POWER TOOLS PRIVATE LIMITED.

Rights Issue of up to [●] Equity Shares at an issue price of ₹[●]/- (Rupees [●] Only) per Equity Share (including a premium of ₹[●]/- (Rupees [●] only) per Equity Share) ('**Issue Price**') ('**Right Shares**') for an amount up to ₹3,000.00 Lakhs (Rupees Thirty Crores Only) on a Rights Issue basis to the Eligible Equity Shareholders of Sparc Electrex Limited ('**Issuer Company**') in the ratio of [●] Right Shares for every [●] Equity Shares held by such Eligible Equity Shareholder as on [●] being the Record Date ('**Rights Issue**'). For further details, kindly refer to the section titled '**Terms Of The Issue**' beginning on page 126 of this Draft Letter Of Offer.

Assuming full subscription in this Rights Issue.

ISSUE PRICE

The Eligible Equity Shareholders need to pay the entire Issue Price at the time of making an application for the purpose of this Rights Issue. The Issue Price is [●] times the face value of the Equity Share.

WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

We hereby confirm that neither our Company, nor our Promoter or members of Promoter Group, Directors, have been categorized as wilful defaulters or fraudulent borrowers by any banks or financial institutions (as defined under Companies Act) or consortium thereof, in accordance with the guidelines issued by the Reserve Bank of India, as on date of this Draft Letter of Offer.

GENERAL RISK

Investment in equity and equity-related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Investors are advised to refer to '**Risk Factors**' beginning on page 19 of this Draft Letter of Offer before investing in the Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed and traded on the BSE Limited. Our Company has received in-principle approval from BSE Limited for listing of the Right Shares pursuant to their letters dated [●]. For the purposes of the Issue, the Designated Stock Exchange is BSE Limited.

REGISTRAR TO THE ISSUE**PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED**

Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai - 400011, Maharashtra, India;

Contact Details: + 91-22-2301 2518 / 6761;

Website: www.purvashare.com;

E-mail ID / Investor grievance e-mail: support@purvashare.com;

Contact Person: Ms. Deepali Dhuri;

SEBI Registration Number: INR000001112

ISSUE PROGRAMME

ISSUE OPENING DATE	LAST DATE FOR MARKET RENUNCIATION*	ISSUE CLOSING DATE**
[●]	[●]	[●]

*Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

** Our Board or our Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will remain open in excess of 30 (Thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines, or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to 'the/our Company', 'we', 'our', 'us', or similar terms are to Sparc Electrex Limited as the context requires, and references to 'you' are to the Eligible Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled 'Industry Overview', 'Statement of Tax Benefits', 'Financial Information', 'Outstanding Litigations, Defaults, and Material Developments' and 'Terms of the Issue' on page 55, 48, 78, 117, and 132 respectively, shall have the meaning given to such terms in such sections.

CONVENTIONAL/ GENERAL TERMS

Term	Description
AY	Assessment Year;
AoA/ Articles of Association	The Articles of Association of Sparc Electrex Limited, as amended from time to time;
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with the provisions of Section 177 of the Companies Act and Regulation 18 of the SEBI (LODR) Regulations, and as described in the section titled ' Our Management ' beginning on page 67 of this Draft Letter of Offer;
Audited Financial Statements	The audited financial statements of our Company prepared in accordance with Indian Accounting Standards for the Financial Year ending March 31, 2022, March 31, 2021, and March 31, 2020;
Auditors/ Statutory Auditors/ Peer Review Auditor	The current statutory auditors of our Company M/s. Motilal & Associates., Chartered Accountants;
Board of Directors/ Board	Board of Directors of our Company;
Companies Act	The Companies Act, 2013 and rules issued thereunder, as amended;
Company Secretary and Compliance Officer	The Company Secretary of our Company, being Ms. Tejashri Kulkarni;
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Mr. Shobith Hegde;
Corporate Promoter	Electrex International Private Limited, Electrex Power Tools Private Limited
Director(s)	
Eligible Shareholder(s)	Eligible holder(s) of the Equity Shares of Sparc Electrex Limited as on the Record Date;
Executive Director	Executive director(s) on our Board, please refer to section titled ' Our Management ' beginning on page 67 of this Draft Letter of Offer;
Equity Shares	Equity share of the Company having face value of ₹10.00 (Rupees Ten Only);
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled ' Our Management ' beginning on page 67 of this Draft Letter of Offer;
ISIN	International Securities Identification Number being INE960B01015;
Key Management Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For

Term	Description
	details, please refer to section titled ' Our Management ' beginning on page 67 of this Draft Letter of Offer;
Materiality Policy	The policy adopted by our Board in its meeting dated November 14, 2019, for identification of group companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI (ICDR) Regulations.
MoA/ Memorandum of Association	The Memorandum of Association of Sparc Electrex Limited, as amended from time to time;
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013;
Promoters	Shobha Anant Hegde, Electrex International Private Limited and Electrex Power Tools Private Limited
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with BSE under the SEBI (LODR) Regulations;
Registered Office	1202, 12th Floor, Esperanza Building, Next to Bank of Baroda, 198, Linking Road, Bandra (West), Mumbai, Maharashtra-400050, India
Restated Financial Statements	Restated summary statements of our Company comprising of the restated statement of assets and liabilities as at March 31, 2022, March 31, 2021, and March 31, 2020, and restated summary statements of profit and loss (including other comprehensive income), and restated summary cash flows and restated summary statement of changes in equity for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the consolidated summary statement of significant accounting policies, and other explanatory information of our Company, derived from audited financial statements as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, prepared in accordance with Ind AS and restated by our Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI (ICDR) Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI.
Rights Issue Committee	For the purpose of this Rights Issue, the Board of Directors of the Company, has formulated a committee comprising of Shobith Ganesh Hegde, as the Chairman, with Niraj Hareshbhai Variava, and Ashok Chhaganbhai Patel, being the members of the said committee.
Sparc Electrex Limited/ the Company/ our Company	Sparc Electrex Limited, a public limited company incorporated under the provisions of the Companies Act, 1956, as amended from time to time;
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Section 178 of the Companies Act, 2013;
Stock Exchange/ Designated Stock Exchange	BSE Limited;

TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
B2B	Business-to-business
B2C	Business-to-consumer
CAGR	Compound Annual Growth Rate;
CE	Capital Economics;
CII	The Confederation of Indian Industry;
DPIIT	Department for Promotion of Industry and Internal Trade
EDP	Entrepreneurship Development Programme;
FDI	Foreign Direct Investment;
FICCI	Federation of Indian Chambers of Commerce and Industry;
FIPB	Foreign Investment Promotion Board;

Term	Description
FY	Financial Year;
GDP	Gross Domestic Product;
GMP	Good Manufacturing Practices;
GST	Goods and Services Tax;
HRD	Human Resource Development;
ICE	Internal combustion engine
IBEF	India Brand Equity Foundation;
IMF	International Monetary Fund;
ISO	International Organization for Standardization;
JV	Joint Venture;
M&A	Mergers and Acquisitions;
MNC	Multi National Company;
MOUs	Memoranda of Understanding;
NABARD	National Bank for Agriculture and Rural Development;
NOC	No Objection Certificate;
OECD	Organisation for Economic Cooperation and Development;
OEM	Original equipment manufacturers;
OHSAS	Occupational health and safety assessment series;
One Million	Ten Lakhs;
One Billion	Ten Thousand Lakhs;
One Trillion	One Crore Lakhs;
PE	Private Equity;
POS	Point of Sale;
SEZ	Special Economic Zone;
Sq. ft.	Square Foot;
TQM	Total Quality Management;
USA	United States of America;
USD	United States Dollar;
WEO	World Economic Outlook

ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act;
Additional Rights Shares	The Rights Shares applied or allotted under this Issue in addition to the Rights Entitlement;
Allot/Allotment/Allotted	Unless the context requires, the allotment of Right Equity Shares pursuant to the Issue;
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act;
Allotment Account Bank	The bank which is a clearing member and registered with SEBI as bankers to an issue and with whom the Allotment Account will be opened, in this case being, [●].
Allotment Advice	Note, advice, or intimation of Allotment sent to each successful Investors who have been or is to be Allotted the Rights Shares pursuant to this Issue after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottees	Persons to whom Right Equity Shares are issued pursuant to the Issue;
Applicant(s)/ Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer/Letter of Offer, being an ASBA Investor;
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the

Term	Description
	ASBA process to subscribe to the Equity Shares at the Issue Price;
Application Form	Unless the context otherwise requires, an application form made available through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Equity Shares in the Issue;
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price;
Application Supported by Blocked Amount or ASBA	Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB;
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be;
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncees) shall make an application for a Rights Issue only through ASBA facility;
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020;
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue, in this case being [●];
Bankers to the Issue Agreement	Agreement dated [●] entered into by and amongst our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the agreement;
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue, and which is described in ' <i>Terms of the Issue</i> ' beginning on page 126 of this Draft Letter of Offer;
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form;
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes ;
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable;
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&in_tmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time;
Designated Stock Exchange	BSE Limited;
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Draft Letter of Offer/ DLoF	This draft letter of offer dated Thursday, September 29, 2022, filed with BSE Limited in accordance with the SEBI (ICDR) Regulations, for their observations and in-principle approval;
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application;
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue

Term	Description
	and with whom Escrow Account(s) will be opened, in this case being [●];
Issue/ Rights Issue	Rights Issue of up to [●] Equity Shares of face value of ₹10.00 (Rupees Ten Only) each of our Company for cash at a price of ₹[●] per Rights Equity Share not exceeding ₹3,000.00 Lakhs (Rupees Thirty Crores Only) on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] ([●]) Rights Equity Shares for every [●] ([●]) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●];
Issue Closing Date	[●];
Issue Materials	The Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Forms, including any notices, corrigendum thereto;
Issue Opening Date	[●];
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI (ICDR) Regulations;
Issue Price	₹[●]/- (Rupees [●]) per Right Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Equity Share);
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Shares	Up to [●] Rights Shares;
Issue Size	Amount aggregating up to ₹3,000.00 Lakhs (Rupees Thirty Crores) (<i>Assuming full subscription with respect to Rights Shares</i>);
Letter of Offer/ LoF	The final letter of offer to be filed with BSE Limited after incorporating the observations received from BSE Limited on the Draft Letter of Offer;
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application;
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, see 'Objects of the Issue' beginning on page 43 of this Draft Letter of Offer;
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees;
Non-Institutional Investors/ NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations;
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws;
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●];
Payment Schedule	Payment schedule under which [●] ([●] Percent) of the Issue Price is payable on Application, i.e., ₹[●] (Rupees [●] Only) per Rights Share;
Physical Equity Shareholders	Eligible Equity Shareholders holding Equity Shares in physical form shall be termed as Physical Equity Shareholders;
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations;
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●];
Refund Bank	The Banker to the Issue with the Refund Account will be opened, in this case being [●];
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable;
Registrar to the Issue	Purva Shareregistry (India) Private Limited;
Registrar Agreement	Agreement dated [●] entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue

Term	Description
	pertaining to this Issue;
Renouncees	Any persons who have acquired Rights Entitlements from the Equity Shareholders through renunciation;
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e. [●];
Retail Individual Investors/ RIIs	Individual Investors who have applied for Equity Shares for an amount not more than ₹2,00,000.00/- (Indian Rupees Two Lakhs) (including HUFs applying through their Karta);
Rights Entitlement (s)/ REs	The number of Right Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being [●] Right Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder; The Rights Entitlements with a separate ISIN '[●]' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date;
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible and on the website of our Company;
Rights Shares	Equity shares of our Company to be Allotted pursuant to this Rights Issue, on partly paid-up basis on Allotment;
Self-Certified Syndicate Banks/ SCSB(s)	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes ;
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020;
Stock Exchange	Stock exchange where the Equity Shares are presently listed, being BSE;
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange;
Wilful Defaulter or Fraudulent Borrower	A Company or person, as the case may be, categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of SEBI (ICDR) Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such;
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, a working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI;

ABBREVIATIONS

Term	Description
ADR	American Depository Receipt;
AGM	Annual General Meeting;
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
AS	Accounting Standards issued by the Institute of Chartered Accountants of India;
ASBA	Application Supported by Blocked Amount;
AY	Assessment Year;

Term	Description
Bn /b.n	Billion
BSE	BSE Limited;
CAF	Common Application Form;
CDSL	Central Depository Services (India) Limited;
CFO	Chief Financial Officer;
CIN	Corporate Identification Number;
CIT	Commissioner of Income Tax;
CLRA	Contract Labour (Regulation and Abolition) Act, 1970;
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder;
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections);
CSR	Corporate Social Responsibility;
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018
Depositories Act	The Depositories Act, 1996;
DIN	Director Identification Number;
DP	Depository Participant;
DP ID	Depository Participant's Identification;
DR	Depository Receipts;
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortisation expense, as presented in the statement of profit and loss;
EGM	Extraordinary General Meeting;
EEA	European Economic Area;
EPS	Earnings Per Share; (Total Earnings / Outstanding Shares)
FDI	Foreign Direct Investment;
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder;
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019;
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws;
FIPB	Foreign Investment Promotion Board;
FPIs	Foreign Portfolio Investors;
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI;
FY/ Financial Year/ Fiscal Year/ Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated;
GAAP	Generally Accepted Accounting Principles;
GDP	Gross Domestic Product;
GDR	Global Depository Receipt;
GNPA	Gross Net Performing Assets;
GoI / Government	The Government of India;
GST	Goods and Services Tax;
HUF	Hindu Undivided Family;
ICAI	The Institute of Chartered Accountants of India;
ICSI	The Institute of Company Secretaries of India;
IFRS	International Financial Reporting Standards;
Income Tax Act / IT Act	Income Tax Act, 1961;
Ind AS	Indian Accounting Standards;
Indian GAAP/ I-GAAP	Generally Accepted Accounting Principles in India;
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended;
IT	Information Technology;
MCA	The Ministry of Corporate Affairs, GoI;
Mn / mn	Million;
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;

Term	Description
N.A. or NA	Not Applicable;
NAV	Net Asset Value; (Value of Assets – Value of Liabilities / Total Number of Outstanding Shares)
NEFT	National Electronic Fund Transfer;
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect;
NR/ Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI;
NRE	Account Non-resident external account;
NRI	Non-resident Indian;
NRO	Non-resident ordinary account;
NSDL	National Securities Depository Limited;
OCB	Overseas Corporate Body;
P.A/ p.a.	Per Annum;
P/E Ratio	Price/Earnings Ratio (Share Price / EPS);
PAN	Permanent account number;
PAT	Profit after Tax;
RBI	Reserve Bank of India;
RBI Act	Reserve Bank of India Act, 1934;
RONW	Return on Net Worth;
SCORES	SEBI Complaints Redress System;
SCRA	Securities Contracts (Regulation) Act, 1956, and amendments thereto;
SCRR	Securities Contracts (Regulation) Rules, 1957, and amendments thereto;
SEBI	Securities and Exchange Board of India;
SEBI Act	Securities and Exchange Board of India Act, 1992, and amendments thereto;
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 and amendments thereto;
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 and amendments thereto;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto;
Securities Act	United States Securities Act of 1933, as amended;
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
STT	Securities transaction tax;
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be;

NOTICE TO OVERSEAS INVESTORS

The distribution of Issue Material, and the Issue of Rights Entitlement and Right Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Issue Material may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Shareholders as on Record Date and will dispatch through email and courier the Issue Materials to such Eligible Shareholders who have a registered address in India or who have provided an Indian address to our Company. Investors can also access the Issue Material from the websites of the Registrar, our Company, and BSE Limited. Those overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with BSE Limited for observations. Accordingly, the Right Entitlements and Right Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under such circumstances, Issue Material must be treated as sent for information purposes only and should not be acted upon for subscription to Rights Entitlement and Right Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of Issue Material should not, in connection with this Issue of the Right Shares or Rights Entitlements, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Right Shares or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire Right Entitlements or Right Shares will be deemed to have declared, represented, warranted and agreed that she/he is authorized to acquire the Right Entitlements or Right Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar or any other person acting on behalf of us reserve the right to treat any Application Form as invalid where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Right Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of Issue Materials nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

The contents of the Issue Materials should not be construed as legal, tax, or investment advice. Prospective investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of the offer of Right Entitlements and Right Shares. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning this Offer. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Entitlement and Right Shares regarding the legality of an investment in the Right Shares by such offeree or purchaser under any applicable laws or regulations.

The Rights Entitlement and the Right Shares of our Company have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, the Issue Materials should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making the Right Shares to Eligible Shareholders of our Company on the Record Date and issue materials will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires rights and the Right Shares will be deemed to have declared, represented, warranted and agreed, that:

1. That it is not and that at the time of subscribing for the Right Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made,
2. It does not have a registered address (and is not otherwise located) in the United States, and
3. It is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.
4. Our Company believes that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form

Our Company reserves the right to treat as invalid any Application form which:

1. Appears to our Company or its agents to have been executed in or dispatched from the United States;
2. Where a registered Indian address is not provided; or
3. Where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

CERTAIN CONVENTIONS

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to 'Sparc Electrex Limited', the/our 'Company', 'we', 'our', 'us' or similar terms are to Sparc Electrex Limited or, as the context requires, and references to 'you' are to the equity shareholders and/ or prospective Investors in the Equity Shares.

FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from the audited financial statements for the year ending March 31, 2022, March 31, 2021 and March 31, 2020 of our Company prepared in accordance with Ind AS, Accounting Standards, Companies Act, 2013. For further details, please refer to the section titled '*Financial Information*' beginning on page 78 of this Draft Letter of Offer. The financial year of our Company commences on April 1 and ends on March 31.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

CURRENCY OF PRESENTATION

All references in this Draft Letter of Offer to 'Rupees', 'Rs.', '₹', 'Indian Rupees' and 'INR' are to Rupees, the official currency of the Republic of India.

All references to 'U.S. \$', 'U.S. Dollar', 'USD' or '\$' are to United States Dollars, the official currency of the United States of America.

Please Note:

One billion is equal to 1,000 million/100 crores;

One million is equal to 1,000,000/10 lakhs;

One crore is equal to 10 million/100 lakhs;

One lakh is equal to 100 thousand;

FORWARD LOOKING STATEMENTS

We have included statements in this Draft Letter of Offer which contain words or phrases such as ‘will’, ‘may’, ‘aim’, ‘is likely to result’, ‘believe’, ‘expect’, ‘continue’, ‘anticipate’, ‘estimate’, ‘intend’, ‘plan’, ‘contemplate’, ‘seek to’, ‘future’, ‘objective’, ‘goal’, ‘project’, ‘should’, ‘pursue’ and similar expressions or variations of such expressions, that are ‘forward looking statements’.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

1. Any disruption in production at, or shutdown of, our manufacturing facility;
2. Success of product development process and our ability to conceptualise new products;
3. Dependency on our key customers and key suppliers;
4. General economic and business conditions in India and in the markets in which we operate and in the local, regional, and national economies;
5. Changes in laws and regulations and other factors relating to the sectors and industry in which we operate;
6. Occurrence of environmental problems and uninsured losses;
7. Increased competition in industries and sector in which we operate;
8. Our ability to meet our capital expenditure requirements;
9. Our ability to successfully implement our growth strategy and expansion plans and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
10. Fluctuations in operating costs;
11. Our ability to attract and retain qualified personnel;
12. Our failure to keep pace with rapid changes in technology;
13. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
14. Any adverse outcome in the legal proceedings in which we/our group companies are involved;
15. Other factors beyond our control;
16. Our ability to manage risks that arise from these factors;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties; and
18. The performance of the financial markets in India and globally.

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled '*Risk Factors*' beginning on page 20 of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or Registrar does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and BSE's Limited requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the BSE Limited.

SECTION II – SUMMARY OF THE DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the sections titled '*Risk Factors*', '*Objects of the Issue*', '*Business Overview*' and '*Outstanding Litigations, Defaults and Material Developments*' beginning on pages 20, 43, 60, and 117 of this Draft Letter of Offer, respectively.

SUMMARY OF OUR INDUSTRY

The engineering sector is the largest of the industrial sectors in India. It accounts for 27% of the total factories in the industrial sectors and represents 63% of the overall foreign collaborations. India's engineering sector has witnessed growth over the last few years driven by increased investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy. India, on its quest to become a global superpower, has made significant stride towards developing its engineering sector.

SUMMARY OF OUR BUSINESS

We are engaged in the business of manufacture, imports, exports, trading and dealing in various kinds of Power Tools, Garden Tools, Cordless Tools, Hand Tools, Machinery, Spares & Accessories, trading in Prime Steel Products, Hot Rolled (HR) / Cold Rolled Coils, Sheets & Pipes, Mild & Stainless Steel and all kinds of Metals.

For further details, please refer to the chapter titled '*Business Overview*' beginning on page 60 of this Draft Letter of Offer.

OUR PROMOTERS

The Promoters of our company are Shobha Anant Hegde, Electrex International Private Limited, and Electrex Power Tools Private Limited.

OBJECTS OF THE ISSUE

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue#	₹3,000.00
Less: Estimated Issue related Expenses	₹[●]
Net Proceeds from the Issue	₹[●]

#assuming full subscription and allotment

**The Issue Size will not exceed ₹3,000.00 Lakhs (Rupees Thirty Crores Only). If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Particulars	Amount (₹ in Lakhs)
To meet Working Capital requirements	₹[●]
To adjust unsecured loan given by one of Electrex International Private Limited, one of our Corporate Promoter	₹216.00
General Corporate Purposes#	₹[●]
Total Net Proceeds@	₹[●]

#In an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not in any event exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the aforementioned fund requirement for General Corporate Purpose);

@Assuming full subscription in this Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

For further details, please refer to the chapter titled '**Objects of the Issue**' beginning on page 43 of this Draft Letter of Offer.

SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER AND PROMOTER GROUP

The Promoters of our Company through their letter dated Saturday, September 24, 2022, have confirmed that they intend to subscribe in part or to full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations. Further, our Promoter Electrex International Private Limited have vide letter dated Saturday, September 24, 2022, requested our Company to adjust unsecured loan amounting to ₹216.00 Lakhs against their entitlement, including additional subscription, if any, instead of seeking a repayment of the same. Thus, a portion of the Issue Proceeds is proposed to be utilised for adjustment/repaying the unsecured loans amounting to ₹216.00 Lakhs availed from our Promoters. For further details, please refer to the chapter titled '**Objects of the Issue**' beginning on page 43 of this Draft Letter of Offer. Our Promoter and certain members of our Promoter Group have also confirmed that they intend to apply for and subscribe to additional Right Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI (LODR) Regulations.

Any such subscription for Right Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Equity Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

SUMMARY OF FINANCIAL STATEMENTS

The following table sets forth the summary financial information derived from the Audited Financial Statements, prepared in accordance with Ind AS and the Companies Act, 2013, for the Financial Year ending March 31, 2022, March 31, 2021 and March 31, 2020.

(Amount in ₹ Lakhs)

Particulars	For the Financial Year ending		
	March 31, 2022	March 31, 2021	March 31, 2020
Equity Share Capital	496.85	496.85	496.85
Net Worth	355.46	143.71	343.97
Total Income	1,507.32	4.91	8.86
Profit / (loss) after tax	212.00	(200.26)	(1.20)
Basic and diluted EPS (in ₹)	4.33	(4.10)	(0.02)
Net asset value per Equity Share (in ₹)	7.27	2.94	7.04
Total borrowings	217.39	6.98	1.69

AUDITOR QUALIFICATIONS

For further details on auditor qualifications, please refer to section titled '**Financial Statements**' beginning on page 78 of this Draft Letter of Offer.

SUMMARY OF OUTSTANDING LITIGATION

Nature of Cases	Number of cases	Amount involved
Litigations involving our Company		
Litigation Involving Actions by Statutory/Regulatory Authorities	Nil	Nil
Litigation involving Tax Liabilities	Nil	Nil
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil	Nil
Proceedings involving Material Violations of Statutory Regulations by our Company	Nil	Nil

Nature of Cases	Number of cases	Amount involved
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
Litigation involving our Directors, Promoters and Promoter Group	9	₹104 Lakhs
Litigation involving our Group Companies	Nil	Nil

For further details, please refer to section titled '*Outstanding Litigations, Defaults and Material Developments*' beginning on page 113 of this Draft Letter of Offer.

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled '*Risk Factors*' beginning on page 20 of this Draft Letter of Offer.

SUMMARY OF CONTINGENT LIABILITIES

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled '*Financial Statements*' and beginning '*Outstanding Litigations, Defaults and Material Developments*' on page 78, and 113, respectively of this Draft Letter of Offer.

SUMMARY OF RELATED PARTY TRANSACTIONS

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled '*Financial Statements*' beginning on page 73 of this Draft Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not issued any Equity Shares for consideration other than cash during the last one year immediately preceding the date of filing the Draft Letter of Offer.

SPLIT/ CONSOLIDATION OF EQUITY SHARES IN LAST 1 (ONE) YEAR

There has been no split/ consolidation of Equity Shares during the last 1 (One) year immediately preceding the date of filing this Draft Letter of Offer.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our directors and their relatives have financed the purchase, by any other person of Equity Shares other than in the normal course of the business of the financing entity during the period of 6 (Six) months immediately preceding the date of this Draft Letter of Offer.


SECTION III – RISK FACTORS

*An investment in equity shares involves a high degree of risk. The risks described below together with other information contained in this Letter of Offer should be carefully considered by the prospective investors before making an investment decision. Prospective investors should carefully consider all the information contained in the section titled “**Financial Information**” on page 78 for the information related to the financial performance of our Company. The risks described in this section are those that we consider to be the most significant to our business, results of operations, financial condition, cash flows and prospects. Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business operations. If any or a combination of the following events occur, our business, results of operations, financial condition and prospects could materially suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein.*

The following risk factors have been determined by our Board of Directors on the basis of their materiality. In accordance with Clause (VI) in Part B of Schedule VI of the SEBI ICDR Regulations, the following factors have been considered for determining the materiality: (i) Some events may not be material individually, but may be found material collectively, (ii) some events may have material impact qualitatively instead of quantitatively; and (iii) some events may not be material at present but may have material impact in the future.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to ‘we’, ‘us’, ‘our’ refers to our Company.

INTERNAL RISKS

1. *Our Company’s logo  is not registered under the Trademarks Act, 1999 as on date of Draft Letter of Offer. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third-party intellectual property rights.*

We may be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be required to obtain a license, modify our existing technology, or cease the use of such technology and design a new non-infringing technology. Such licenses or design modifications can be extremely costly. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, the settlement of which could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition.

2. *Regulatory Charges levied on the Company from the BSE Authority.*

Our Company have received some regulatory charges from the BSE Limited on non-compliance of Corporate Governance by the Company. However, all charges/penalties were paid off and said charges were not appearing in the next Quarter list. In case any further proceeding, if initiated by the authority may cost to the Company monetarily and may harm the goodwill of the Company as well.

3. *Our Company has pending e-proceedings on the website of Income tax.*

As per the website of Income Tax there are e-proceedings showing as pending with ‘open’ status. However, the amount has not been mentioned and cannot be crystallised. Any charge may be levied on such proceeding after crystallisation and which could cost to the Company monetarily.

4. *We reported a loss in the Fiscal 2021 and may incur additional losses in the future.*

We reported a loss of ₹200.26 Lakhs for the Fiscal 2021. We may incur losses after tax in the future. Our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business. For further details, see ‘Financial Statements’ on page 73 of this Draft Letter of Offer.

5. *During the Financial Year ending March 31, 2022, the secretarial auditor has noted out certain qualifications with respect to non-compliances with certain provisions of the laws and regulations.*

The Company has belatedly filed the following disclosures with the relevant applicable provisions of the various laws and regulations, which are specifically mentioned hereinafter:

- a. Encumbrance disclosure of the promoter and members of the promoter group in accordance and compliance with the provisions of Regulation 31 (4) of SEBI (SAST) Regulations;
- b. Disclosure with respect to large corporate in compliance with the provisions of SEBI Circular bearing reference number 'SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018';
- c. E-Form MGT-14 in terms of Section 179 (3) of the Companies Act;
We cannot assure you that our Secretarial Auditor's observations for any future Financial Years will not contain similar remarks, emphasis of matters or other matters, will not form part of our financial statements for the future fiscal periods and that such matters will not otherwise affect our results of operations. For further details, see 'Financial Statements' and on pages 78 of this Draft Letter of Offer.

6. *Certain risks associated with respect to change in business segment*

As on the date of this Draft Letter of Offer, our Company is in the business of manufacture, imports, exports, trading and dealing in various kinds of Power Tools, Garden Tools, Cordless Tools, Hand Tools, Machinery, Spares & Accessories, trading in Prime Steel Products, Hot Rolled (HR) / Cold Rolled Coils, Sheets & Pipes, Mild & Stainless Steel and all kinds of Metals. The company has recently diversified and changed its business segments as the new management and Promoters takeover.

The company was in the field of IT solutions and systems, since its inception. There are certain risks associated with the change in line of business and entry of new management among others, like strategic risks, operation risks and reputational risks. However, new management carry with them the requisite knowledge and experience to run the new business but there is no guarantee if they can overcome these risks and this may have a material adverse effect on our business, financial condition or prospects.

7. *Our tools and hardware business are dependent on the sale of our products through distribution networks in India. Our inability to expand or effectively manage our growing distribution network or any disruptions in our supply or distribution infrastructure may have an adverse effect on our business, results of operations and financial condition.*

We primarily rely on third party distributors in India to sell our tools and hardware products through our own brands to retailers who place our products in the market. There can be no assurance that our distributors in the past will continue to place similar orders with us in the future. The loss of one or more of these distributors or a significant decrease in business from any key distributor, whether due to circumstances specific to such distributor or adverse market conditions affecting the end-segment industry or the economic environment generally, such as the COVID-19 pandemic, may materially and adversely affect our business, results of operations and financial condition. We primarily rely on purchase orders with our distributors and do not typically enter into long-term supply agreements. We usually negotiate terms of purchase with our distributors. These terms of purchase outline standard conditions and delivery requirements. Our ability to expand and grow our product reach significantly depends on the reach and effective management of our distribution network. We continuously seek to increase the penetration of our products by appointing new distributors to ensure wide distribution network targeted at different customer groups and regions. We cannot assure you that we will be able to successfully identify or appoint new distributors or effectively manage our existing distribution network. As we sell and distribute our products through distributors, any one of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition, cash flows and results of operations:

- failure to renew agreements with distributors;
- failure to maintain relationships with our existing distributors;
- failure to establish relationships with new distributors on favorable terms;
- inability to timely identify and appoint additional or replacement distributors upon the loss of one or more of our distributors;
- fraud or negligence by our distributors or any litigation faced by our distributors, which could hamper their ability to distribute our products;
- reduction, delay or cancellation of orders from one or more of our distributors; and
- disruption in delivering of our products by distributors.

We may not be able to compete successfully against larger and better-funded distribution networks of some of our current or future competitors, especially if these competitors provide their distributors with more favorable arrangements. If the terms offered to such distributors by our competitors are more favorable than those offered by us, distributors may decline to distribute our products and terminate their arrangements with us. We cannot assure you that we will not lose any of our distributors to our competitors, which could cause us to lose some or all of our favorable arrangements with such distributors and may result in the termination of our relationships with other distributors. Any such event may have a material adverse effect on our results of operations.

In addition, costs incurred in correcting any material failures, defects, delays, errors, or other problems involving our manufacturing infrastructure or our products and services may be substantial and could have an adverse effect on our business, financial condition, and results of operations.

8. *We are subject to strict quality requirements and any product defect issues or failure by us or our suppliers to comply with quality standards may lead to the cancellation of existing and future orders, recalls or warranty and liability claims.*

We face an inherent business risk of exposure to product defects and subsequent liability claims in the event that the use of any of our product's results in personal injury or property damage. We and our suppliers may not meet regulatory quality standards, or the high-quality standards imposed by our customers and applicable to our manufacturing processes, which could have a material adverse effect on our business, results of operations or financial conditions including cash flows. In the event our products do not comply with the specification provided by our customers, our supplies may be rejected, and we may also be required to reimburse our customer for any losses suffered as a result of our non-compliance. Moreover, in the event that any of our products do not meet regulatory standards or are defective, we may be responsible for damages relating to any defective products, required to replace, recall or redesign such products or incur significant costs to defend any such claims. We cannot assure you that we or our suppliers comply or can continue to comply with all regulatory requirements or the quality requirement standards of our customers. Because of the longer useful life of some of our products, it is possible that latent defects might not appear for several years. There is no guarantee that any future non-compliance with quality standards will not result in a material adverse effect on our business, financial condition or prospects.

The failure by us or one of our suppliers to achieve or maintain compliance with these requirements or quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved or, with a supplier, until a new supplier has been identified and evaluated. Our or our supplier's failure to comply with applicable regulations could cause adverse consequences to be imposed on us, including warning letters, fines, injunctions, civil penalties, the refusal of regulatory authorities to grant approvals, delays, suspensions or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions, and criminal prosecutions, all of which could harm our business. We cannot assure you that if we need to engage new suppliers to satisfy our business requirement, we can locate new suppliers in compliance with regulatory requirements, in a timely manner, or at all. Our failure to do so could lead to the cancellation of existing and future orders and have a material adverse effect on our business and revenue. Any product recall, product liability claim, or adverse regulatory action may adversely affect its production levels, reputation, business, results of operations, cash flows and financial condition. A successful warranty or product liability claim, or costs incurred for a product recall, could result in adverse publicity against us and would have an adverse effect on our business, results of operations or financial conditions including cash flows.

Furthermore, we may be subject to liability claims by third parties in the event that the use of any of our product's results in personal injury or property damage, which could adversely affect our reputation and business and, to the extent not covered by insurance, our results of operations, financial condition and cash flows. Defect issues or our products failure to comply with quality standards could be caused by defects or quality issues in the products we buy from third parties and incorporate into the products we manufacture. There can be no assurance we would be able to recover from such third parties any losses we incurred as a result of any defects or failure of our products to comply with quality standards caused by products supplied to us by such third parties.

9. *Our failure to identify and understand evolving industry trends and preferences and develop new products to meet our customers' demands may adversely affect our business.*

Changes in regulatory or industry requirements or in competitive technologies may render certain of our products obsolete or less attractive and could require substantial new capital expenditures or subject us to write-offs. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis will be a significant factor in our ability to remain competitive. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly.

Over the years, tools and products have advanced into many different shapes, forms, sizes and specification to cater for different end-user industries they service. To compete effectively in these industries, we must remain dynamic and be able to develop and produce new products to meet our customers' demand in a timely manner. To do so, we will continue to invest in research and development to develop new products. However, we cannot assure you that we will be able to keep pace and continuously develop and launch new products that are able to meet our customers' ever evolving requirements. Our failure to successfully develop, produce and commercialise new products, or a failure by our customers to successfully launch new programs, could adversely affect our business, results of operations and financial results. Production shortfalls or production delays, if any, or our inability to accurately estimate the cost to design, develop and launch new products could result in our failure to effectively manage our manufacturing costs relating to these product launches. If we are unable to bring enough products to market, or if products are brought to market after competing products are commercialized, our growth strategy may not be successful and our business would be adversely affected.

10. *We do not have firm long term commitment agreements with our customers. We may not be able to accurately forecast demand for our products and plan production schedules in advance, and our growth estimates may not accurately indicate our actual sales and revenues for any future period or date.*

We do not enter into firm long-term agreements with our customers. Typically, there is no commitment on the part of the customer to purchase the quantities specified in the volume projections. We rely on purchase orders and delivery schedule issued by such customers from time to time that set out the volume and other terms of our sales of products. The quantities supplied are based on delivery schedules provided by the customers based on their own demand and supply situation. Further, in the event the Company is unable to fulfil the purchase order, it is required to notify the customers. As a result, our customers do not typically place firm purchase orders until a short time before the products are required from us, as a result of which we do not hold a significant order book at any time, making it difficult for us to forecast production volume or sales and are based on a number of economic and business factors such as our customers' demand and supply situation, and other variables and assumptions, some or all of which may change or may not be accurate and, accordingly, our growth estimates may not accurately indicate our actual sales and revenues for any future period or date.

Moreover, since we do not have long-term firm commitments with our customers, and instead rely on purchase orders and customer schedules to govern the volume, price and other terms of the development program and sales, which may be amended or cancelled prior to finalization, we may not have any recourse in the event of an unexpected delay or cancellation of a development program. In addition, we may not realize all of the revenue expected from our incremental business pipeline and it may not be indicative of our future growth rate or new business orders we will receive in the future

Further, our customers have high and exacting standards for product quality and delivery schedules. Any failure to meet customer's expectations could result in the cancellation or non-renewal of contracts. Our customers may terminate their arrangements with us for cause or otherwise for, among others, our non-compliance with contractual obligations such as standards for product quality and quantity as well as delivery schedules, and in certain cases have no liability to pay for or reimburse lost profits, unabsorbed overheads, capital investments made by us, product development and engineering costs, facilities and equipment rental and other related costs such as penalties or administrative charges incurred directly or indirectly by us in connection with cancelled orders. In addition, we do not have exclusive contracts with any of our large customers, which entitles them to replace us with another supplier under certain circumstances. Accordingly, we may not in fact realize all of the future sales represented by our awarded business, which could materially and adversely affect our business, cash flows, financial condition and results of operations.

Customers may also demand price reductions, change their outsourcing strategy or replace their existing products with alternative products. There is therefore no assurance that we will be able to continue to procure business from the existing customers or to retain the existing customers, or that we will be able to replace our customer base in a timely manner or at all, in the event customers do not continue to purchase products manufactured by us. Such loss of customers may have an adverse effect on our business, financial condition and results of operations, including an interruption or partial or total work stoppage at our manufacturing facilities.

11. *Our business is dependent on our manufacturing facilities and we are subject to certain risks in our manufacturing process. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations could materially and adversely affect our business, financial condition and results of operations.*

Our business is dependent upon our ability to efficiently manage our manufacturing facilities and the operational risks associated with it, including those beyond our reasonable control. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including, power failure, fire and unexpected mechanical failure of equipment's, performance below expected levels of output or efficiency, obsolescence, labor disputes, strikes, lockouts, earthquakes and other natural

disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks such as the COVID-19 pandemic, could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such period. Disruptions in our manufacturing operations could delay production or require us to temporarily or permanently, cease operations at our manufacturing facilities. Further, any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. In addition, we may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved. As regulatory approvals are site specific, we may be unable to transfer manufacturing activities to another location immediately. Moreover, some of our products are permitted to be manufactured at only such facilities that have received specific approvals, and any shut down of any such facility, including due to nonrenewal of specific approvals, will result in inability to manufacture the relevant products for the duration of such shut down. We may also be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades. Further, we may also face protests from local residents at our existing facilities or while setting up new facilities, which may delay or halt our operations.

Certain consumables such as furnace oil are corrosive and flammable and require expert handling and storage, failing which we may be exposed to fires or other industrial accidents. While we believe that we have necessary controls and processes in place and provides adequate training to employees who handle such products/ operations, any failure of such systems or any adverse incident related to the use or otherwise during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or, environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of property of our Company and/or disruption in our manufacturing operations entirely, which may have a material adverse effect on our results of operations and financial condition.

Similarly, there is no assurance that those of our manufacturing facilities unaffected by an interruption will have the capacity to increase their output to manufacture products for the affected manufacturing facilities, to the extent that all outstanding orders will be filled in a timely manner. In the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to import various supplies and products in order to meet our production requirements, which could affect our profitability

- 12. *We depend on third party logistics providers for the transportation of raw materials and delivery of products, and any failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.***

As a manufacturing business, our success depends on the smooth supply and transportation of the various raw materials required for our manufacturing facilities and of our products from our manufacturing facilities to our customers. We transport our raw materials and our finished products by road and sea. Our suppliers undertake the delivery of our raw materials and we rely on third party logistic companies and freight forwarders to deliver our products. We do not have formal contractual relationships with such logistic companies and freight forwarders particularly in the export markets. Transportation strikes may also have an adverse effect on supplies and deliveries to and from our customers and suppliers. Further, raw materials and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Any recompense received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

- 13. *Our operations are labor intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

Our operations are labor intensive and we are dependent on a labor force for our manufacturing operations. The success of our operations depends on availability of labor and maintaining good relationship with our workforce. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business

and results of operations. Further, we engage independent contractors through whom we engage contract labor for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these laborers directly, we are responsible for any wage payments to be made to such laborers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial condition. India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

14. *If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, our business and results of operations could be adversely affected.*

Our business operations require working capital for activities including purchase of raw materials for our manufacturing operations as well as for the purchase of packing materials for our products. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, timely payment of, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations and financial condition could be materially and adversely affected. We cannot assure that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations and financial condition.

15. *Our inability to accurately forecast demand or price for our products and manage our inventory may adversely affect our business, results of operations and financial condition.*

Our business depends on our estimate of the demand for our products from customers. We maintain a reasonable level of inventory of raw materials, work in progress and finished goods. However, if we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand and price for our products and accordingly, plan our production volumes, any error in our forecast could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all. If we overestimate demand, we may incur costs to build capacity or purchased more raw materials and manufacture more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

Our ability to maintain as well as expand our international operations is dependent on us providing our products at prices competitive with international as well as local manufacturers. Further, a majority of our business involves having robust supply networks in place. Our inability to price our products at the applicable prices in the international markets, may affect the demand for our products and consequently have a material adverse effect on our results of operations and financial condition.

16. *We have in past entered related party transactions and we may continue to do so in the future.*

In the Financial Year ending March 31, 2022, March 31, 2021, and March 31, 2020, we have entered several related party transactions with entities under common control and our directors. In addition, we have in the past also entered transactions with other related parties. For further please refer to the section titled '**Financial Statements**' beginning on page 78 of this Draft Letter of Offer.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

17. We experienced negative cash flows in the past

We experienced negative cash flows in the past. Sustained negative cash flows could impact our growth and business. We experienced negative cash flows from some activities as per the periods indicated below as per our Consolidated Financial Statements

(₹ in Lakhs)

Particulars	For the Financial Year ending March 31		
	2022	2021	2020
Net Cash Flow from Operating Activities	(29.34)	(11.63)	(7.93)
Net Cash Flow from Investing Activities	(103.63)	4.79	4.50

If we continue to experience negative cash flows from operations in the future, it could adversely affect our business, results of operations and financial condition. For further details, see '**Financial Statements**' on page 73 of this Draft Letter of Offer.

18. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations, and goodwill could be adversely affected.

19. As the Equity Shares of our Company are listed on BSE Limited, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations and comply with other SEBI regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.

The Equity Shares of our Company are listed on BSE Limited, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations, to the extent applicable, and have to adhere to and comply with other applicable Regulations framed by SEBI. Our Company endeavours to comply with all such obligations and reporting requirements, any non-compliance which might have been committed by us, may result into BSE Limited and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and the rules and regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

20. We require certain approvals and licenses in the ordinary course of business, and any failure to obtain or retain such approvals in a timely manner, or comply with applicable laws, may materially and adversely affect our business, financial condition, results of operations and prospects.

We require certain approvals, licenses, registrations, and permissions for operating our business in India, if we fail to apply, obtain, or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected.

Further, government approvals and licenses are subject to numerous conditions, of which some may be onerous and may require us to undertake substantial compliance-related expenditure. In certain locations, regulatory authorities may exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations, and standards.

Failure to comply with applicable laws or regulations, obtain and maintain any licenses, permits and approvals necessary to operate our business or non-compliance with any conditions imposed thereunder can lead to civil, administrative, or criminal penalties, including but not limited to fines or the revocation of permits and licenses that may be necessary for our business activities. We could also be required to pay damages in respect of third-party claims, including those relating to personal injury or property damage, any of which could materially and adversely affect our business, financial condition, results of operations and prospects.

21. ***Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

22. ***Our success largely depends upon the knowledge and experience of our Promoters, Directors, and our Key Managerial Personnel. Loss of any of our directors and key managerial personnel or our ability to attract and retain them could adversely affect our business, operations, and financial condition.***

Our Company depends on the management skills and guidance of our Promoters and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. However, recently new Promoters and directors have joined our company and the old promoters and Directors have exited and the new Promoters and Directors bring with them the requisite knowledge and experience of the changed line of business of the company. Further, we also significantly depend on the expertise, experience, and continued efforts of our Key Managerial Personnel. Some of our employees have been associated with our Company since a long period of time and have been integral to the growth and in the success of our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our directors or Key Managerial Personnel are unable or unwilling to continue in his/her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. There is significant competition for management and other skilled personnel in the industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages and incentives to such Key Managerial Personnel. In the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition, and operations may be adversely affected.

23. ***Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition, or cash flows.***

Our ability to pay dividends in future will depend on our earnings, financial condition, and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition, and results of operations. Although our Company has not declared dividends in the past, however there can be no assurance that our Company will declare dividends in the future also.

24. ***The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled 'Objects of the Issue'.***

As the issue size shall be less than ₹10,000 lakhs, under Regulation 82 of the SEBI (ICDR) Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoter shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same.

25. ***The Promoter and Promoter Group will continue to exercise control post completion of the Issue and will have considerable influence over the outcome of matters.***

Upon completion of this Issue, our Promoters and members of the Promoter Group will continue to own a majority of our Equity Shares. As a result, our Promoters and members of the Promoter Group will have the ability to exercise significant influence over all matters requiring shareholders' approval. Our Promoters and members of the Promoter Group will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they may be required by

applicable law to abstain from voting. This control could also delay, defer, or prevent a change in control of our Company, impede a merger, consolidation, takeover, or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in the best interests of our Company. The interests of our Promoters and members of the Promoter Group could conflict with the interests of our other equity shareholders, and the Promoters and members of the Promoter Group could make decisions that materially and adversely affect your investment in the Equity Shares.

- 26. *We have not commissioned an industry report for the disclosures made in the chapter titled 'Industry Overview' and made disclosures based on the data available on the internet and such data has not been independently verified by us.***

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled '**Industry Overview**' of this Draft Letter of Offer. We have made disclosures in the said chapter based on the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

ISSUE SPECIFIC RISKS

- 27. *Investment in Right Shares is exposed to certain risks.***

The Right Shares offered under this Issue will be listed under a separate ISIN. An active market for trading may not develop for the Right Shares. This may affect the liquidity of the Right Shares and restrict your ability to sell them. In case our Company declares any dividend, Rights Equity Shareholders are only entitled to dividend in proportion to the amount paid-up, and the voting rights (exercisable on a poll) by Investors shall also be proportional to such investor's share of the paid-up equity capital of our Company.

- 28. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements.

- 29. *Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch the Issue Materials to such Shareholders who have provided an address in India for the service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e- mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Issue Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

- 30. *Investors shall not have the option to receive Right Shares in physical form.***

In accordance with the provisions of Regulation 77A of the SEBI (ICDR) Regulations read with SEBI Rights Issue Circular, the credit of Rights Entitlement and Allotment of Right Shares shall be made in dematerialised form only. Investors will not have the option of getting the allotment of Equity Shares in physical form.

31. *SEBI has streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.*

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see '*Terms of the Issue*' on page 126 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

32. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge, or encumber their Equity Shares in the future.

33. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian Company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 (Twelve) months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

Further, the Finance Act, 2019, which has been notified with effect from April 01, 2019, stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, and the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019 and have come into effect from July 01, 2020.

The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

34. ***You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time, subjecting you to market risk for such period.

35. ***There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchange until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchange. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

36. ***Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

37. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

38. ***Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

39. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

EXTERNAL RISK FACTORS

40. *The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition, and results of operations.*

The outbreak, or threatened outbreak, of any severe epidemic caused due to viruses (particularly the Novel Coronavirus) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition, and results of operations. The outbreak of Novel Coronavirus has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding Novel Coronavirus and no government-certified treatment or vaccine is available. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of Novel Coronavirus remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting Novel Coronavirus or any other epidemic disease, this could require us to quarantine some or all these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of Novel Coronavirus will cause an economic slowdown and it is possible that it could cause a global recession. The spread of Novel Coronavirus has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events, and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

The extent to which the Novel Coronavirus further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations and system supports and the impact Novel Coronavirus may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all any impact from the spread of Novel Coronavirus or its consequences, including downturns in business sentiment generally or in our sector. The degree to which Novel Coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.

Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

41. *Political, economic, or other factors that are beyond our control may have adversely affect our business and results of operations.*

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition, and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

We are dependent on domestic, regional, and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional, and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

42. *A slowdown in economic growth in India could cause our business to suffer.*

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- a) Any increase in Indian interest rates or inflation;
- b) Any scarcity of credit or other financing in India;
- c) Prevailing income conditions among Indian consumers and Indian corporations;
- d) Changes in India's tax, trade, fiscal or monetary policies;
- e) Political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- f) Prevailing regional or global economic conditions; and
- g) Other significant regulatory or economic developments in or affecting India.

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

43. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects, and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ('ICDS'), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

the General Anti Avoidance Rules ('GAAR') have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of

companies operating in India and may result in significant additional taxes becoming payable. If, because of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

44. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe, and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition, and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance, and the trading price of the Equity Shares.

45. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. We might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

46. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any terms or at all.

47. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects, and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ('GST') regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure.

Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2021 and the Ministry of Finance has notified the Finance Act, 2020 ('Finance Act') on March 27, 2020, pursuant to assent received from the President, and the Finance Act will come into operation with effect from July 1, 2020. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition, and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2019 ('Bill') has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be

time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

48. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.*

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

49. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorised by way of a resolution passed by our Board of Directors on Friday, September 23, 2022, in pursuance of Section 62(1)(a) of The Companies Act, 2013.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in '*Terms of the Issue*' on page 126 of this Draft Letter of Offer.

Equity Shares outstanding prior to the Issue	48,89,000 (Forty-Eight Lakhs Eighty-Nine Thousand) Equity Shares
Rights Equity Shares offered in the Issue	[●] Rights Shares
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares
Rights Entitlement	[●] Rights Shares for every [●] fully paid-up Equity Shares held on the Record Date
Record Date	[●]
Face Value per Equity Share	₹10.00/- each
Issue Price per Equity Share	₹[●]/- including a premium of ₹[●]/- per Rights Equity Share.
Issue Size (Assuming full subscription for the Issue)	Up to ₹3,000 Lakhs (Rupees Thirty Crores Only)
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] ([●]) Equity Shares or is not in multiples of [●] ([●]), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Terms of the Issue	Please refer to the section titled ' <i>Terms of the Issue</i> ' beginning on page 126 of this Draft Letter of Offer.
Use of Issue Proceeds	Please refer to the section titled ' <i>Objects of the Issue</i> ' beginning on page 43 of this Draft Letter of Offer.
Security Code/ Scrip Details	ISIN: INE960B01015; BSE Scrip Code: 531370; BSE Scrip ID: SPAR; ISIN for Rights Entitlements: [●]

ISSUE SCHEDULE

Issue Opening Date	[●]
Last date for On Market Renunciation of Rights	[●]
Issue Closing Date	[●]

GENERAL INFORMATION

Our Company was originally incorporated under the provisions of The Companies Act, 1956 as '*Sparc Systems Private Limited*' on September 14, 1989, with the Registrar of Companies, Maharashtra. However, the name of our Company was changed from '*Sparc Systems Private Limited*' to '*Sparc Systems Limited*' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Maharashtra on January 18, 1994. The equity shares of our company got listed on January 22, 1996, with BSE. The name of our Company was further changed to its present name '*Sparc Electrex Limited*' pursuant to a special resolution of our shareholders passed in an extra-ordinary general meeting dated November 29, 2021 and a fresh certificate of incorporation dated January 13, 2022, consequent on such change of name was issued to our Company by the Registrar of Companies, Maharashtra. The equity shares of our company got listed on January 22, 1996, with BSE. After the takeover of the Company in 2021 the new management has diversified into the manufacture, imports, exports, trading and dealing in various kinds of Power Tools, Garden Tools, Cordless Tools, Hand Tools, Machinery, Spares & Accessories, trading in Prime Steel Products, Hot Rolled (HR) / Cold Rolled Coils, Sheets & Pipes, Mild & Stainless Steel and all kinds of Metals.

REGISTERED OFFICE OF OUR COMPANY

Registered Office: 1202, 12th Floor, Esperanza Building, next to Bank of Baroda, 198, Linking Road, Bandra (West), Mumbai – 400050, Maharashtra, India
Contact Number: +91 9819001811
Email-ID: sparcelectrex@gmail.com
Website: www.sparcelectrex.com
CIN: L31100MH1989PLC053467

FACTORY PREMISES OF OUR COMPANY

B - 305, Hind Saurashtra Industrial Estate, Marol Naka, Andheri (East), Mumbai – 400059, Maharashtra, India. The factory premises is owned by our Company.

REGISTRAR OF COMPANIES

The Registrar of Companies, Mumbai

100, Everest, Marine Drive, Mumbai - 400002, Maharashtra, India

BOARD OF DIRECTORS OF OUR COMPANY

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

Name	Designation	DIN	Age	Address
Shobith Ganesh Hegde	Whole Time Director & CFO	02310679	39 years	1101/1201, Bonny Casa, CTS No. F/873, Dr. Ambedkar Road, Bandra (W), Next to Axis Bank, TPS III, Mumbai-400050, Maharashtra, India
Ravikumar Byrapatna Chhannappa	Executive Director	06595061	50 years	Belekere, Ramanagara-562160, Karnataka, India
Suresh Vishwanathan	Executive Director	02211021	65 years	B-606, Star Lokpuram. Pokhran Road No. 2, Opp. Hiranandani Meadows, Thane-400610, Maharashtra, India.
Niraj Hareshbhai Variava	Independent Director	09197068	36 years	B-104, Mahendra Palace, Dindayal Nagar, Opp. Union Bank, Bassein Road, Vasai Road (West), Thane-401202, Maharashtra, India
Ashok Chhaganbhai Patel	Independent Director	08024669	33 years	301, Kanti Nx, Opp. North Lanes Shopping Complex, Near Vasai Railway Station, Laal Godown, Vasai (W), Palghar- 401202, Maharashtra, India;
Sushmita Lunkad	Independent Director	09044848	28 years	Bhavani Peth, Subhash Chowk, Jalgaon, 425001. Maharastra, India

For further details, please refer to the chapter titled '*Our Management*' beginning on page 67 of this Draft Letter of Offer.

KEY PERSONNEL AND INTERMEDIARIES

Company Secretary and Compliance Officer	Chief Financial Officer
Tejaswi Kulkarni Address: 1202, 12 th Floor, Esperanza Building, Next to Bank of Baroda, 198, Linking Road, Bandra (W), Mumbai – 400 050, India. Contact Details: 9819001811 Email-ID: sparcelectrex@gmail.com	Shobith Ganesh Hegde Address: 1202, 12 th Floor, Esperanza Building, Next to Bank of Baroda, 198, Linking Road, Bandra (W), Mumbai – 400 050, India. Contact Details: 9819001811 Email-ID: sparcelectrex@gmail.com
Statutory and Peer Review Auditor	Registrar to the Issue
M/s Motilal & Associates LLP (Formerly known as Motilal & Associates) 304, Orchid Plaza, S.V. Road, Borivali West, Mumbai – 400 092, Maharashtra, India Firm Registration No: 106584W Contact Person: CA Rishabh M Jain Mem No.: 179547 E-mail ID: info@motilalassociates.com Contact Number: 022 2865 8119 / 2864 2358 Website: www.motilalassociates.com	Purva Sharegistry (India) Private Limited Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai- 400011, Maharashtra, India Contact Details: + 91-22-2301 2518 / 6761; Website: www.purvashare.com ; E-mail ID / Investor grievance e-mail: support@purvashare.com ; Contact Person: Ms. Deepali Dhuri; SEBI Registration Number: INR000001112
Legal Advisor to the Issue	Bankers to the Company
M/s. Sushmita Adhikari & Associates, PCS Firm 137/18, Anupam Garden, Saket, NewDelhi-110068 Contact Details: +91 9990536363 Contact Person: CS Sushmita Adhikari Firm Registration Number: S2022DE863100	ICICI Bank Limited Waterfield Road Branch, Bandra (West), Mumbai – 400 050 Contact Details: +91 8422004459 E-mail ID: mohammed.ansari@icicibank.com Website: www.icicibank.com Contact Person: Mr. Mohammed Naeem
Bankers to the Issue/ Refund Banker	
[●] [●] Contact Person: [●] E-mail ID: [●] Contact Details: [●] Website: [●] SEBI Registration Number: [●]	

CHANGES IN THE AUDITORS DURING THE LAST THREE YEARS

There has been no change in the auditors of the Company in the previous 3 (Three) Financial Years prior to the date of filing this Draft Letter of Offer.

INVESTORS GRIEVANCES

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Rights Issue or post-Rights Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, please refer to the section titled ‘*Terms of the Issue*’ beginning on page 126 of this Draft Letter of Offer.

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

EXPERT

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received a written consent from our Statutory Auditors, M/s Motilal & Associates LLP (Formerly known as Motilal & Associates), Chartered Accountants, to include their name in this Draft Letter of Offer and as an 'expert', as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated March 17, 2022, included in this Draft Letter of Offer, and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights Entitlements#	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

Note:

#Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date;

**Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the Applications are submitted well in advance before the Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, please refer to the section titled '**Terms of the Issue**' beginning on page 126 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at www.purvashare.com after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see '**Credit of Rights Entitlements in demat accounts of Eligible Shareholders**' under the section titled '**Terms of the Issue**' beginning on page 126 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.

CREDIT RATING

As the proposed Rights Issue is of Equity Shares, the appointment of a credit rating agency is not required.

DEBENTURE TRUSTEE

As the proposed Rights Issue is of Equity Shares, the appointment of debenture trustee is not required.

MONITORING AGENCY

Since the Rights Issue size does not exceed ₹10,000 Lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulations.

APPRAISING ENTITY

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

UNDERWRITING

This Rights Issue is not underwritten, and our Company has not entered any underwriting arrangement.

FILING

Since the size of this Issue falls under the threshold as prescribed under Regulation 3 of the SEBI (ICDR) Regulations, the Draft Letter of Offer had been filed with BSE and will not be filed with SEBI. However, a copy of the Letter of Offer shall be submitted with SEBI for information and dissemination and will be filed with the BSE.

MINIMUM SUBSCRIPTION

Pursuant to the provisions of Regulation 86 of the SEBI (ICDR) Regulations, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

1. Objects of the issue being other than capital expenditure for a project; and
2. Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group.

CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Draft Letter of Offer, prior to and after the proposed Rights Issue, is set forth below:

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
Authorised Equity Share capital		
2,00,00,000 (Two Crores) Equity Shares	₹2,000.00 Lakhs	-
Issued, subscribed and paid-up Equity Share capital before the Rights Issue		
48,89,000 (Forty-Eight Lakhs Eighty-Nine Thousand) Equity Shares of face value of ₹10.00/- each	₹488.90 Lakhs	-
Present Rights Issue in terms of this Draft Letter of Offer⁽¹⁾		
[●] ([●]) Equity Shares	₹[●]/-	₹[●]/-
Securities premium account		
Before the Issue	Nil	
After the Issue ⁽²⁾	₹[●]/-	

Assuming full subscription for allotment of Rights Equity Shares.

Note:

- (1) *The present Rights Issue has been authorised by our Board of Directors pursuant to the resolution passed in their meeting conducted on Friday, September 23, 2022.*
- (2) *Assuming full subscription for allotment of Rights Equity Shares.*

NOTES TO THE CAPITAL STRUCTURE

1. The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer;
2. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
3. As on the date of this Draft Letter of Offer, our Company has not issued any special voting Right Shares and there are no outstanding Equity Shares having special voting rights;
4. The ex-rights price arrived in accordance with the formula prescribed Regulation 10(4)(b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹[●] (Rupees [●] Only);

5. **Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**

As on the date of this Draft Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares;

6. **Details of stock option scheme of our Company**

As on the date of this Draft Letter of Offer, our Company does not have a stock option scheme;

7. **Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares**

As on the date of this Draft Letter of Offer, none of the Equity Shares held by the members of the Promoter and Promoter Group of the Company are locked-in, pledged and encumbered;

8. **Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Draft Letter of Offer**

Open Offer was made by Mrs. Shobha Anant Hegde, M/s. Electrex International Private Limited and M/s. Electrex Power Tools Private Limited (hereinafter collectively referred to as ‘Acquirers’) to the shareholders of Sparc Systems Limited (Sparc) to Acquire from them up to 12,71,140 Equity Shares of Rs.10/- each representing 26% of the equity and voting Share Capital of Sparc at Rs. 4.00/- per fully paid-up Equity share and the Acquirers have entered into a Share Purchase Agreement dated May 31, 2021, with the earlier Promoters of the Target Company for acquisition of 7,23,083 Equity Shares constituting 14.79% of the total equity and voting share capital of the Target Company and Public Announcement on behalf of the Acquirers was made on 31st May, 2021 by M/s. CapitalSquare Advisors Private Limited (‘Manager to the Offer’) for and on behalf of the Acquirers to the equity shareholders of the Target Company under Regulation 3 (1) and 4 read with Regulation 15(1) of the Securities And Exchange Board Of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

9. **Intention and participation by the promoter and promoter group**

The Promoters and members of the Promoter Group of our Company through its letters dated Saturday, September 24, 2022, have confirmed that they intend to subscribe in part or to the full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations. Further, our Promoter Electrex International Private Limited have vide letter dated Saturday, September 24, 2022, requested our Company to adjust unsecured loan amounting to ₹216.00 Lakhs against their entitlement, including additional subscription, if any, instead of seeking a repayment of the same. Thus, a portion of the Issue Proceeds is proposed to be utilised for adjustment/repaying the unsecured loans amounting to ₹216.00 Lakhs availed from our Promoters. For further details, please refer to the chapter titled ‘*Objects of the Issue*’ beginning on page 43 of this Draft Letter of Offer.

Further, the Promoters and members of our Promoter Group may also apply for additional Equity Shares along with their Rights Entitlement and/or renunciation. Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above its current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (SAST) Regulations and shall be exempted subject to fulfilment of the conditions of Regulation 10 of the SEBI (SAST) Regulations. The Promoters and members of our Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue;

10. **Shareholding Pattern of our company**

a) The shareholding pattern of our Company as on June 30, 2022 is as follows:

Particulars	BSE Limited's URL
Summary statement holding of specified securities	https://www.bseindia.com/stock-share-price/sparc-electrex-ltd/spar/531370/shareholding-pattern/
Statement showing shareholding pattern of the Promoter and Promoter Group	https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=531370&qtrid=114.00&QtrName=June%202022
Statement showing shareholding pattern of the Public shareholder	https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=531370&qtrid=114.00&QtrName=June%202022
Statement showing shareholding pattern of the Non Promoter- Non Public shareholder	https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=531370&qtrid=114.00&QtrName=June%202022
Details of disclosure made by the Trading Members holding 1% or more of the Total No. of shares of the company.	https://www.bseindia.com/corporates/shpdrPerct.aspx?scripcd=531370&qtrid=114.00&CompName=Sparc%20Electrex%20Ltd&QtrName=June%202022&Type=TM

b) Details of shareholders holding more than 1% of the pre-Issue paid up capital of our Company as on date of this Draft Letter of Offer:

Name of shareholder	Category of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
Shobha Anant Hegde	Promoter	1	11,75,738	11,75,738	24.0486%	11,75,738	24.0486%	11,75,738
Electrex International Private Limited	Promoter	1	1,50,000	1,50,000	3.0681%	1,50,000	3.0681%	1,50,000
Epson Finance And Investments Private Limited	Public	1	4,12,426	4,12,426	8.4358%	4,12,426	8.4358%	4,12,426
Stephanotis Finance Limited	Public	1	3,04,649	3,04,649	6.2313%	3,04,649	6.2313%	3,04,649
Sushila Devi Magraj Jain	Public	1	1,07,798	1,07,798	2.2049%	1,07,798	2.2049%	1,07,798
Prakash Shah	Public	1	75,000	75,000	1.5341%	75,000	1.5341%	75,000
Nisha Lodha	Public	1	72,300	72,300	1.4788%	72,300	1.4788%	72,300
Devang K Mehta	Public	1	65,093	65,093	1.3314%	65,093	1.3314%	65,093
Bhavna Naresh Jain	Public	1	49,500	49,500	1.0125%	49,500	1.0125%	49,500
Total			24,12,504	24,12,504	49.3456%	24,12,504	49.3456%	24,12,504

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds to:

1. To meet Working Capital Requirements;
2. To adjust unsecured loan given by one of Electrex International Private Limited, one of our Corporate Promoter;
3. To meet issue related expenses; and
4. General Corporate Purposes.

The main objects of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. The fund requirement and deployment are based on internal management estimates and have not been appraised. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or other financial conditions, business or strategy.

ISSUE PROCEEDS

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue#	₹3,000.00
Less: Estimated Issue related Expenses	₹[●]
Net Proceeds from the Issue	₹[●]

assuming full subscription and Allotment;

*The Issue size will not exceed ₹3,000 Lakhs (Rupees Thirty Crores Only). If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

REQUIREMENT OF FUNDS OF THE NET PROCEEDS

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Particulars	Amount (₹ in lakhs)
To meet Working Capital requirements	₹[●]
To adjust unsecured loan given by one of Electrex International Private Limited, one of our Corporate Promoter	₹216.00
General Corporate Purposes*	₹[●]
Total	₹[●]

*To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the BSE Limited.

MEANS OF FINANCE

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Rights Issue. The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and

interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management.

UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION

We propose to deploy the Net Proceeds towards the aforesaid objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in Lakhs)

Particulars	Amount to be deployed from Net Proceeds in the Financial Year ending		Total Amount
	March 31, 2023	March 23, 2024	
Augmenting Working Capital requirements of our Company	₹[●]	₹[●]	₹[●]
To adjust unsecured loan given by one of Electrex International Private Limited, one of our Corporate Promoter	₹216.00	--	₹216.00
* General Corporate Purposes	₹[●]	₹[●]	₹[●]
Total Net Proceeds	₹[●]	₹[●]	₹[●]

*Issue Proceeds proposed to be used for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

DETAILS OF THE OBJECTS OF THE ISSUE

The details in relation to objects of the Issue are set forth herein below:

1. Meeting Working Capital Requirements

Our business is predominantly working capital intensive. We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and unsecured borrowings. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change. The equity infusion through Rights Issue is proposed to meet our increasing working capital requirement that will help in maintaining creditors, debtors, inventory holding levels as per our operations requirement and in order to achieve growth in next 2-3 years and also for maintaining growth pace with Industry going forward. On the basis of our estimated working capital requirements, our Rights Issue Committee pursuant to its resolution dated September 12, 2022, has approved the projected working capital requirements for the Financial Year ending March 31, 2023, and March 31, 2024, the details of which are specified as under:

The details of estimation of Working Capital Requirement (on a standalone basis), is as under:

(₹ in Lakhs)

Sr. No.	Particulars	Restated Audited Financial Statement for the Financial Year ending March 31, 2022	Working Capital Requirements as per the Projected Financials	
			March 31, 2023	March 31, 2024
A	Current Assets			
	Trade Receivables	₹[●]	₹[●]	₹[●]
	Cash and Cash Equivalents	₹[●]	₹[●]	₹[●]
	Short-term loans and advances	₹[●]	₹[●]	₹[●]
	Inventory	₹[●]	₹[●]	₹[●]
	Other Current Assets	₹[●]	₹[●]	₹[●]
	Total Current Assets (A)	₹[●]	₹[●]	₹[●]
B	Current Liabilities			
	Trade Payables	₹[●]	₹[●]	₹[●]
	Other Financial liabilities	₹[●]	₹[●]	₹[●]
	Other Current Liabilities	₹[●]	₹[●]	₹[●]
	Short Term Provision	₹[●]	₹[●]	₹[●]
	Total Current Liabilities (B)	₹[●]	₹[●]	₹[●]
C	Total Working Capital Requirements (A-B)	₹[●]	₹[●]	₹[●]
D	Funding Patterns			
	Internal Accruals/Unsecured Loans	₹[●]	₹[●]	₹[●]

*Net Proceeds of the Issue	₹[●]	₹[●]	₹[●]
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Assumptions on the Working Capital requirements:

We have estimated our working capital requirements based on the following holding periods:

	Particulars	March 31, 2022	March 31, 20223	March 31, 20224
1	Sundry Debtors Holding Period (Months)	[●]	[●]	[●]
2	Inventory Holding Period (Months)	[●]	[●]	[●]
3	Sundry Creditors Holding Period (Months)	[●]	[●]	[●]

Justification for “Holding period” levels

Particulars	Assumptions
Raw Materials	The estimate for Raw Material holding has been worked out by the Management based on the industry standard, manufacturing process, raw material delivery estimates etc. Earlier years figures are not comparable as Company has changed its products line after the takeover and change of management in 2021 and the new business post take over commenced on regular basis during Sept – Dec 2021 & Jan – March 2022 qtr.
Work In Progress	The estimate for Work-In Progress has been worked out by the Management based on the industry standard, manufacturing process, raw material delivery estimates etc. Earlier years figures are not comparable as Company has changed its products line after the take over and change of management in 2021 and the new business post take over commenced on regular basis during Sept – Dec 2021 & Jan – March 2022 qtr.
Finished Goods	The estimate for Finished Goods holding has been worked out by the Management based on the industry standard, sales estimate, lead time in manufacturing process, raw material delivery estimates etc. Earlier years figures are not comparable as Company has changed its products line after the take over and change of management in 2021 and the new business post take over commenced on regular basis during Sept – Dec 2021 & Jan – March 2022 qtr. We believe that considering the overall economic conditions and the expected sales, the estimated inventory period shall be required to ensure uninterrupted sales and delivery to customers.
Trade Receivables	The estimate for Finished Goods holding has been worked out by the Management based on the industry standard, sales estimate, competition in the market etc. Earlier years figures are not comparable as Company has changed its products line after the take over and change of management in 2021 and the new business post take over commenced on regular basis during Sept – Dec 2021 & Jan – March 2022 qtr. We believe that considering the overall economic conditions and the expected sales, the estimated Debtors level shall be required to achieve estimated sales.
Trade Payables	The estimate for Creditors holding has been worked out by the Management based on the industry standard, sales estimate, competition in the market etc. Earlier years figures are not comparable as Company has changed its products line after the take over and change of management in 2021 and the new business post take over commenced on regular basis during Sept – Dec 2021 & Jan – March 2022 qtr. As the company relationship is yet to be established with various suppliers <i>the credit available will be limited in the beginning.</i>

2. To adjust unsecured loan given by one of Electrex International Private Limited, one of our Corporate Promoter

Since the Company is in a working capital-intensive industry and requires working capital on a continuous, ongoing and urgent basis, the Promoters have time and again been advancing unsecured loans to the Company for its day-to-day requirements at various intervals. As on date of this Letter of Offer, our Company has availed unsecured loans amounting to ₹ 261.00 lakhs from our Promoter, Electrex International Private Limited primarily to meet its urgent fund needs. These loans are repayable on demand and there are no penalties for prepayment. The interest rate on such unsecured loans is mutually agreed between Electrex International Private Limited and our Company.

Sr. No	Name of the Entity	Outstanding Unsecured Loan (₹ in Lakhs)	Proposed Adjustment from the Net Proceeds (₹ In Lakhs)
1.	Electrex International Private Limited	₹216.00	₹216.00
	TOTAL	₹216.00	₹216.00

Our Promoter Electrex International Private Limited have vide letter dated Saturday, September 24, 2022 has requested our Company to adjust unsecured loan amounting to ₹216.00 lakhs against their entitlement, including additional subscription, if any, instead of seeking a repayment of the same. Thus, a portion of the Issue Proceeds is proposed to be utilised for repaying the unsecured loans amounting to ₹ 216.00 lakhs availed from our Promoters. Consequently, no fresh Issue proceeds would be received by our Company to such an extent. Our Promoters have undertaken to subscribe, jointly and severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of Additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempted in terms of Regulation 10(4)(b) of the SEBI Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Interest of Promoters and Directors in the objects of the Issue

Electrex International Private Limited, our Promoter has, vide it's letters dated Saturday, September 24, 2022, confirmed that an amount of ₹216.00 Lakhs which has been availed by our Company, in the nature of unsecured loans as per the details mentioned in the above table, is proposed to be adjusted towards the application money to be received by the Company, for the subscription to the Rights Equity Shares to be allotted in this Issue, from our Promoters, to the extent of its entitlement, renunciation of entitlement in favour of the members of Promoter Group (if any) in the Issue, as well as Additional Rights Equity Shares to be applied for by them for the unsubscribed portion, (in part or full, as the case may be) in the Issue. Consequently, no fresh Issue proceeds would be received by our Company to such an extent.

3. Expenses for the Issue

The Issue related expenses consist of fees payable to the Legal Counsel, processing fee to the SCSBs, Registrar to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the BSE Limited. Our Company will need approximately ₹75.00 Lakhs towards these expenses, a break-up of the same is as follows:

Activity	Estimated Expense (₹ in Lakhs)	% of Total Expenses	As a % of Issue size
Fees of RTA, and legal advisor, other professional service providers	₹[●]	[●]%	[●]%
Fees payable to regulators, including depositories, Stock Exchange, and SEBI	₹[●]	[●]%	[●]%
Statutory advertising, marketing, printing and distribution	₹[●]	[●]%	[●]%
Other expenses (including miscellaneous expenses and stamp duty)	₹[●]	[●]%	[●]%
Total	₹[●]	100.00%	[●]%

4. General Corporate Purposes

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy balance left out of the Net Proceeds, aggregating to ₹200.00 Lakhs, towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds from the Issue, in compliance with the SEBI (ICDR) Regulations. Such general corporate purposes may include, but are not restricted to, (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies; (v) expenses incurred in ordinary course of business; and (vi) any other purpose, as may be approved by our Board or a Rights Issue Committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

APPRAISAL

None of the Objects of the Issue have been appraised by any bank or financial institution.

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF THE NET PROCEEDS

The Net Proceeds are currently expected to be deployed in during Fiscal Years 2022-23, and 2023-24.

SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

As on date, our Company has not deployed any funds towards '*Objects of the Issue*'.

BRIDGE FINANCING FACILITIES

We have not availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue.

INTERIM USE OF PROCEEDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

MONITORING OF UTILISATION OF FUNDS

Since the proceeds from the Issue are less than ₹10,000 Lakhs, in terms of Regulation 41(1) of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Rights Issue. However, as per SEBI (LODR) Regulations, our Board/ Rights Issue Committee would be monitoring the utilization of the proceeds of the Rights Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to Regulation 32 of the SEBI (LODR) Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to BSE Limited, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

INTEREST OF PROMOTERS, PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE

Except for, Our Promoter Electrex International Private Limited have vide letter dated Saturday, September 24, 2022 has requested our Company to adjust unsecured loan amounting to ₹216.00 lakhs against their entitlement, including additional subscription, if any, instead of seeking a repayment of the same, none of the other Promoters, members of the Promoter Group and the Directors are interested in the Objects of the Issue.

VARIATION IN OBJECTS

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the '*Postal Ballot Notice*') shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

STATEMENT OF TAX BENEFITS

The Board of Directors
SPARC ELECTREX LIMITED
(FORMERLY KNOWN AS SPARC SYSTEMS LIMITED)

Dear Sirs,

Subject: Statement of Possible Special Tax Benefits available to Sparc Electrex Limited (Formerly Known as Sparc Systems Limited) (“the Company”) and shareholders of the Company under the direct & indirect tax laws.

We have been requested by the Company to issue a report on the special tax benefits available to the Company and its shareholders attached for inclusion in the Letter of Offer in connection with the proposed rights issue of equity shares of the Company (the “Issue”). The Statement has been prepared by the management of the Company and stamped by us for identification purpose only.

The statement showing the current position of special tax benefits available to the Company and the shareholders of the Company as per the provisions of Income- tax Act, 1961 (“the IT Act”) and the Central Goods And Services Tax Act, 2017/ Integrated Goods And Services Tax Act, 2017 relevant State Goods and Services Tax Act (SGST) read with rules, circulars, and notifications (“GST law”), the Customs Act, 1962. Customs Tariff Act, 1975 (“Customs law”) and Foreign Trade Policy 2015-2020 (“FTP”) (herein collectively referred as “Indirect Tax Laws”) as amended by Finance Act, 2020, i.e. applicable for the assessment year AY 2021-22 relevant to the financial year 2020-21 for inclusion in the Letter of Offer (“LOF”) for the issue of rights shares is annexed herewith.

These possible special tax benefits are dependent on the Company and the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the corresponding Tax Laws. Hence, the ability of the Company and the shareholders of the Company to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, the Company and may face in the future and accordingly, the Company and the shareholders of the Company may or may not choose to fulfil. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance whether:

- i. The Company or the shareholders of the Company will continue to obtain these benefits in future;
- ii. The conditions prescribed for availing the benefits have been/would be met;
- iii. The revenue authorities/courts will concur with the views expressed herein

The statement is intended solely for information and the inclusion in the Letter of Offer in connection with the rights issue of equity shares of the Company and is not be used, referred to or distributed for any other purpose, without our prior consent, provided the below statement of limitation is included in the Offer Letter.

Limitation:

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. Auditor do not assume responsibility to update the views consequent to such changes. Auditor shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct.

Auditor will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

Sd /-

For Motilal & Associates LLP

FRN: 106584W/W100751

Chartered Accountant

304, Orchid Plaza, S.V. Road,

Borivali West, Mumbai-400092, India

M H Jain

Partner

Membership No.:036811

Place: Mumbai

Date: 17/03/2022

UDIN: 22036811AFFAZ46145

Encl: As above

ANNEXURE I

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SPARC ELECTREX LIMITED (FORMERLY KNOWN AS SPARC SYSTEMS LIMITED) ('COMPANY') AND ITS SHAREHOLDERS

The information provided below sets out the possible special direct tax & indirect tax benefits available to the Company and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company and the shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company or may face in the future and accordingly, the Company and the shareholders of the Company may or may not choose to fulfil. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

The tax benefits stated below are as per the Income tax Act, 1961 ("IT Act") as amended from time to time and applicable for financial year 2020-22 relevant to assessment year 2021 -22 (AY 2021 -22) and Indirect Tax Laws as amended from time to time and applicable for financial year 2020-21.

Under the IT Act

Special tax benefit available to the company under the Act

Lower corporate tax rate under section 115 BAA

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%) from the Financial year 2019-20, provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1)(ia), 33ABA, 35(2AB), 80-1A(etc.)

The Amendment Act, 2019 also provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115 BAA, MAT credit would not be available. Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit.

The Company is eligible to exercise the above option, but not yet exercised the option for lower corporate tax rate due to availability of MAT credit as on the date of this report.

Additional depreciation

The Company is eligible for claim of additional depreciation at the rate of 20% of the actual cost of specific machinery or plant acquired and installed at their manufacturing plant after 31 March 2005 over and above the normal depreciation. (Section 32 of the Act)

Deduction from Gross Total Income

Section 80IA- Deduction in respect of undertaking/s engaged in power generation.

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80IA of the Act, from the Gross Total Income of an amount equal to hundred percent of the profits and gains derived from eligible undertaking/s, engaged power generation. The benefit period is ten consecutive assessment years out fifteen assessment years beginning from the year in which the eligible undertaking begins to operate the facility.

The Company is eligible to claim 100% of profit generated from windmill Unit till FY 2020-21 under section 80IA of the Act.

Section 80 JJA -Deduction in respect of employment of new employees

Subject to fulfilment of prescribed conditions, the Company are entitled to claim deduction, under the provisions of Section 80JJA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year. for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

Section 80M -Deduction in respect of inter-corporate dividends

A new Section 80M has been inserted by the Finance Act, 2020 w.e.f. April 1, 2020 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act.

Where the Company receives any such dividend during a Financial Year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Financial Year, it shall be entitled to the deduction under Section 80NI of the Act.

Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders (other than resident corporate shareholder) of the Company. With respect to a resident corporate shareholder, a new section 80M is inserted in the Finance Act, 2020, to remove the cascading effect of taxes on inter-corporate dividends during financial year 2020-21 and thereafter. The Section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

NOTES: -

The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2021-22. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant provision of the Tax Laws.

In respect of non-residents, the tax rate and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.

In respect of lower Corporate Tax rate under section 115BAA, it may be noted that such option for Financial Year 2020-21 is yet to be exercised by the Company which could be done prior to furnishing the tax return of the Company for Financial Year 2020-21.

If the company opts for concessional corporate income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions: -

Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
Deduction under clause (ii) of sub-section (1) of section 32 (Additional Depreciation)

Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)

Deduction under sub-clause (ii) or sub-clause (iia) or sub clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)

Deduction under section 35AD or section 35CCC (deduction for specified business, agricultural extension project)

Deduction under section 35CCD (Expenditure on skill development)

Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M

No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above

No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above

Vii. This statement is intended only to provide general information to the investors and is neither designed nor intended to be substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

II. Under the Indirect Tax Laws

Special indirect tax benefit available to the Company

The Company avails the following tax benefits:

Duty Drawback on export of Goods is available to the Company.

We are informed that the company is not yet enjoying any benefits of Free Trade Agreements (FTA) on its imports

Special tax benefits available to the Company

The shareholder of the Company are not entitled to any special tax benefits under indirect tax laws

Notes:

1. The above statement of possible Indirect tax benefits set out the provisions of Tax Laws.

2. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views.

ANNEXURE II

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO SPARC ELECTREX LIMITED ('COMPANY') AND ITS SHAREHOLDERS

- 1. Under The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ('GST Act'), the Customs Act, 1962 ('Customs Act') and the Customs Tariff Act, 1975 ('Tariff Act') (collectively referred to as 'Indirect Tax')**

- a. Special tax benefits available to the Company under the Indirect Tax**

There are no special indirect tax benefits available to the Company.

- b. Special tax benefits available to the shareholders under the Indirect Tax**

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes

1. The above statement is based upon the provisions of the specified Indirect Tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure;
2. The above statement covers only above-mentioned Indirect Tax laws benefits and does not cover any direct tax law benefits or benefit under any other law;
3. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice;
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

SECTION VI – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

INTRODUCTION

INDUSTRY OVERVIEW & INDIAN MANUFACTURING SECTOR

Introduction

INDIAN ENGINEERING SECTOR

The engineering sector is the largest of the industrial sectors in India. It accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations. The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy. India on its quest to become a global superpower has made significant strides towards the development of its engineering sector. The Government of India has appointed the Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products and services from India. India exports transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners to various countries of the world. India became a permanent member of the Washington Accord (WA) in June 2014. The country is now a part of an exclusive group of 17 countries who are permanent signatories of the WA, an elite international agreement on engineering studies and mobility of engineers.

Market size

Electrical equipment market is forecasted to grow at 12% CAGR to reach US\$ 72 billion by 2025 from US\$ 48-50 billion in 2021. Electrical equipment export market is forecasted to reach US\$ 13 billion by 2025, from US\$ 8.62 billion in 2021.

Indian machine tool production and consumption were estimated at Rs. 6,602 crore (US\$ 879.38 million) and Rs. 12,036 crore (US\$ 1.6 billion), respectively, in FY21.



India exports engineering goods mostly to US and Europe, which account for over 60% of the total export. Engineering exports were recorded at US\$ 75.90 billion in April (FY20) and reached US\$ 60.25 billion in January (FY21). Index of industrial production (IIP) for electrical equipment industry stood at 105.5 in FY20.

In June 2021, the country's engineering goods exports recorded a 52.61% increase compared with the same interval last year. According to the National Association of Software and Service Companies (Nasscom), India's share in the global engineering and research and development (ER&D) market is likely to expand at a CAGR of 12-13% to reach US\$ 63 billion by 2025.

Investments

100% FDI is allowed through the automatic route, with major international players looking for growth opportunities to enter the Indian engineering sector. The engineering sector in India attracts immense interest from foreign players as it enjoys a comparative advantage in terms of manufacturing cost, technology, and innovation. The above, coupled with favourable regulatory policies and growth in the manufacturing sector, has enabled several foreign players to invest in India.

FDI inflow for miscellaneous mechanical and engineering industries stood at US\$ 4.11 billion between April 2000-March 2022 according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

In the recent past, there have been many major investments and developments in the Indian engineering and design sector:

- In June 2022, exports of engineering goods from India stood at US\$ 9.58 billion, a 3.02% YoY growth.
- With 100% FDI allowed through the automatic route, major international players such as Cummins, GE, ABB and Alfa Laval have entered the Indian engineering sector due to growth opportunities.
- In February 2022, Microsoft India and Larsen & Toubro (L&T) signed a Memorandum of Understanding (MoU) to build a regulated sector cloud product. The two businesses will collaborate with a select group of significant customers in regulated industries to design architectures and roadmaps to help them achieve their digital transformation goals and transition traditional datacentres to hybrid cloud architecture.
- In September 2021, Bharat Fritz Werner India, a leading machine tool manufacturer in the subcontinent, announced that it is entering the metal additive manufacturing area.
- In September 2021, Larsen & Toubro (L&T) announced that it will participate in the Expo 2020, Dubai to be held from October 5, 2021, to March 31, 2022, as part of the Indian pavilion. L&T plans to demonstrate its capabilities in hydrocarbon engineering, and businesses such as water-effluent treatment, power transmission and distribution.

Global Macroeconomic Overview

High uncertainty surrounds the global economic outlook, primarily related to the path of the pandemic. The contraction of activity in 2020 was unprecedented. After an estimated contraction of -3.3 percent in 2020, the global economy is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022. The contraction for 2020 is smaller than projected in the October 2020 World Economic Outlook (WEO), reflecting the higher-than-expected growth outturns in the second half of the year for most regions after lockdowns were eased and as economies adapted to new ways of working. Global growth is expected to moderate to 3.3 percent over the medium term—reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labour force growth in advanced economies and some emerging market

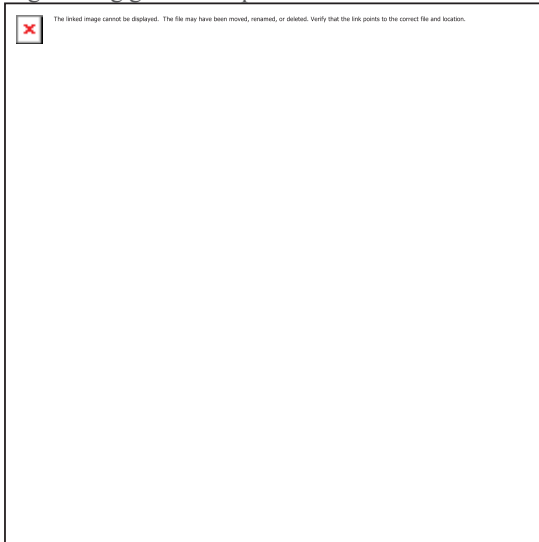
economies. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses.

Government Initiatives

The Indian engineering sector is of strategic importance to the economy owing to its intense integration with other industry segments. The sector has been de-licensed and enjoys 100% FDI. With the aim to boost the manufacturing sector, the Government has relaxed the excise duties on factory gate tax, capital goods, consumer durables and vehicles.

- In the Union Budget 2022-23, the government has given a massive push to the infrastructure sector by allocating Rs. 199,107 crore (US\$ 26.52 billion) to enhance the transport infrastructure.
- Prime Minister Mr. Narendra Modi, on the country's 75th Independence Day, announced plans to invest Rs. 100 trillion (US\$ 1.35 trillion) in infrastructure to stimulate economic development and generate employment.
- In October 2021, the Ministry of Textiles allowed pilot projects for application of geo-textiles in infrastructure projects.
- In September 2021, the Indian government announced a PLI scheme for automobiles and auto components worth Rs. 25,938 crore (US\$ 3.49 billion). This scheme is expected to bring investments of Rs. 42,500 (US\$ 5.74 billion) by 2026.
- The Indian telecom equipment market is likely to increase owing to the government's Rs. 12,195 crore (US\$ 1.6 billion) PLI scheme approved for telecom gear manufacturing in February 2021.

Turnover of the capital goods industry was estimated at US\$ 92 billion in 2019 and is forecast to reach US\$ 115.17 billion by 2025. India's engineering R&D market will increase from US\$ 36 billion in FY19 to US\$ 63 billion by FY25. The export of engineering goods is expected to reach US\$ 200 billion by 2030.





Road ahead

Turnover of the capital goods industry was estimated at US\$ 92 billion in 2019 and is forecast to reach US\$ 115.17 billion by 2025. India's engineering R&D market will increase from US\$ 36 billion in FY19 to US\$ 63 billion by FY25. The export of engineering goods is expected to reach US\$ 200 billion by 2030.

The 'Make in India' initiative and the government's focus on ease of doing business is likely to present several opportunities in the engineering and capital goods sector in the upcoming years.

References: Media reports, Press releases, EEPC India, Press Information Bureau (PIB), Department for Promotion of Industry and Internal Trade (DPIIT), The Confederation of Indian Industry (CII), Indian Electrical & Electronics Manufacturers' Association (IEEMA)

Turnover of capital goods industry is expected to increase to US\$ 115.17 billion by 2025F. India's engineering R&D market will increase from US\$ 36 billion in FY19 to US\$ 42 billion by FY22.

India needs Rs. 235 trillion (US\$ 3.36 trillion) of investment in infrastructure in the next decade (2020-29).
The export of engineering goods is expected to reach US\$ 200 billion by 2030.

***Note:** Conversion rate used for July 2022 is Rs. 1 = US\$ 0.013*

***Note:** F- Forecast, P-Provisional, Except Low Grade (below 58%)*

***References:** Media reports, Press releases, EEPC India, Press Information Bureau (PIB), Department for Promotion of Industry and Internal Trade (DPIIT), The Confederation of Indian Industry (CII), Indian Electrical & Electronics Manufacturers' Association (IEEMA), Indian Brand Equity Foundation (IBEF).*

BUSINESS OVERVIEW

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For the purpose of discussion of certain risks in connection with investment in the Equity Shares, you should read 'Risk Factors' beginning on page 20 of this Draft Letter of Offer, and for the purpose of discussion of the risks and uncertainties related to those statements, as well as for the discussion of certain factors that may affect our business, financial condition, you should read 'Financial Statements' beginning on page 7378 of this Draft Letter of Offer.

Sparc Electrex Limited (**Formerly Known as Sparc Systems Limited**) was originally incorporated under the provisions of The Companies Act, 1956 as 'Sparc Systems Private Limited' on September 14, 1989, with the Registrar of Companies, Maharashtra. However, the name of our Company was changed from 'Sparc Systems Private Limited' to 'Sparc Systems Limited' on December 03, 1993 and a fresh certificate of incorporation dated January 18, 1994, consequent to such name change was issued to our Company by the Registrar of Companies, Maharashtra. The name of our Company was further changed to its present name 'Sparc Electrex Limited' pursuant to a special resolution of our shareholders passed in an extraordinary general meeting dated November 29, 2021 and a fresh certificate of incorporation dated January 13, 2022, consequent on such change of name was issued to our Company by the Registrar of Companies, Maharashtra. The Equity Shares of our Company got listed on January 22, 1996, with BSE. The registered office of our Company is located at 1202, 12th Floor, Esperanza Building, next to Bank of Baroda, Linking Road, Bandra (West), Mumbai – 400 050, Maharashtra, India

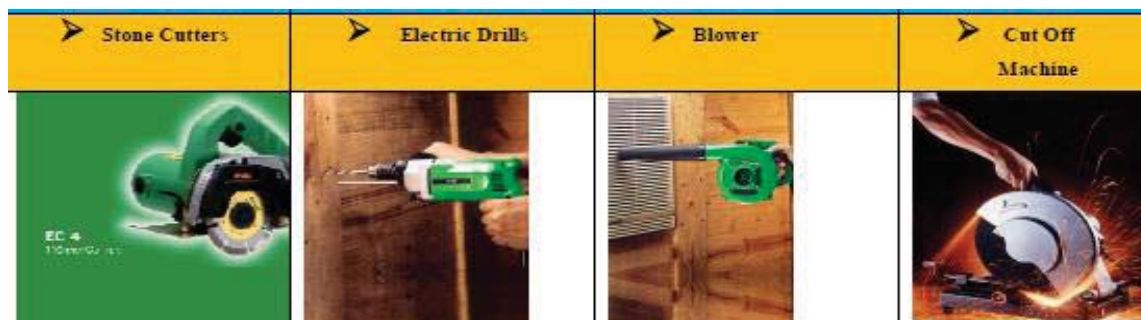
Sparc Electrex Limited was founded in 1989 by a team of technologists. The Company was initially into the business of Video Security Systems and Electronic Document Storage Systems. However, after the takeover of the Company in October 2021 by Shobha Anant Hegde, Electrex International Private Limited and Electrex Power Tools Private Limited, the new management has discontinued its original business activities and diversified into the manufacture, imports, exports, trading and dealing in various kinds of Power Tools, Garden Tools, Cordless Tools, Hand Tools, Machinery, Spares & Accessories, trading in Prime Steel Products, Hot Rolled (HR) / Cold Rolled Coils, Sheets & Pipes, Mild & Stainless Steel and all kinds of Metals.









OUR PRODUCT RANGE

1. POWER TOOLS

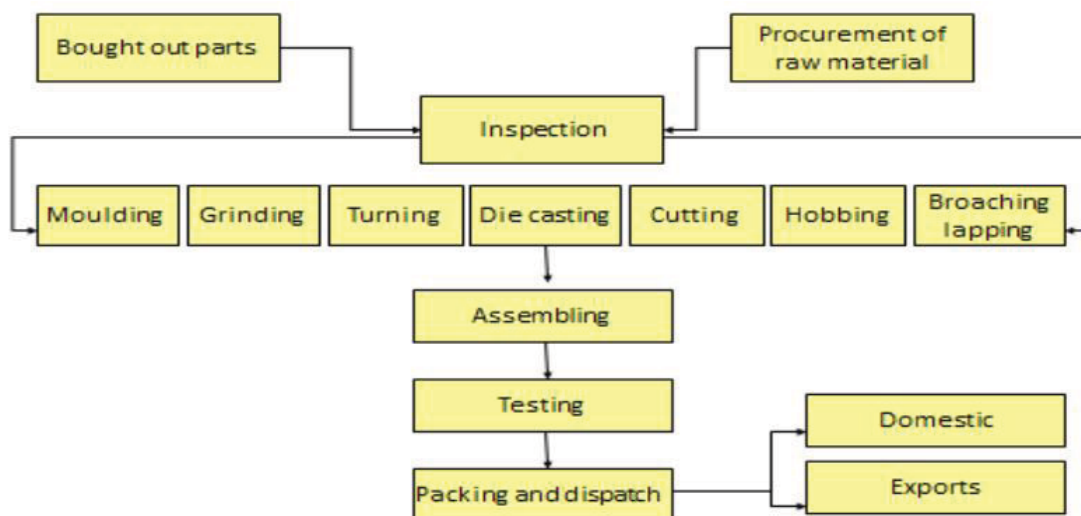
Power Tool is an electro-mechanical tool with self-contained electric or non-electric motor. Motor attached tool means less strain to the operator. Diverse application from a battery-operated screwdriver to petrol driven chainsaw. Power tools are used in a broad array of commercial or industrial applications such as new construction, repairs and maintenance of structures, fabrication, assembly and manufacturing of all kinds, as well as various hobbies and craft (wood working) activities. Power Tools are used as Production Aid Tools in all most all types of industries like Engineering Workshops, Fabrication Shops, Maintenance Departments etc.

These include manufacturing, Imports & trading in Portable Electric Power Tools, Garden Tools, Pneumatic Tools, Cordless Tools, Wood Working Tools and Accessories for Power Tools.



➤ Cordless Tools	➤ Disc Grinders	➤ Angle Grinders	➤ Sander
			
➤ Rotary Hammers	➤ Demolition Hammers	➤ Chainsaw	➤ Chainsaw
			





Manufacturing Process of Power Tools



2. METALS AND STEEL PRODUCTS

Our Company is trading of Prime Steel Products, Hot Rolled (HR) / Cold Rolled Coils, Sheets & Pipes, Mild & Stainless Steel and all kinds of Metals. Prime Steel Products are required in every segment of the steel market that enables steel mills, Alloy steel plants and Foundries across India to produce a broad range of high quality finished and semi-finished products, Sheets, Pipes & Coils.

Industrial and base metals are used in the construction, manufacturing, and technology industries and include copper, aluminium, steel, and zinc. The steel industry is vital to both economic competitiveness and national security. Steel is the backbone of bridges, skyscrapers, railroads, automobiles, and appliances. More than 3,000 catalogue grades of steel are currently available, not including custom grades for specific uses.

PRIME STEEL PRODUCTS	SHEETS	PIPES	COILS
			

Coils : Coils of all standard sizes



Pipes : Pipes of all sizes



Sheets : Steel Sheets



KEY STRENGTHS

1. Wide Products Range

Our Company is into manufacturing & trading in Power Tools, Cordless Tools, Metals & Metal Products. The Products offered by the company are wide and have application in various fields. This will help our new line of business to grow and expand.

2. Quality Assurance

Our Company is dedicated towards quality of our products which will help us to maintain long term relations with our customers and has also facilitate us to entrench with new customers. Our Company's this dedication and quality commitment will help it in its new diversified business.

3. Experienced Management Team

The new management team after the takeover, has immense knowledge of the new line of business and industry. They also have over 20 years of experience in various industries.

The Promoters and Directors have been involved in the day- to- day business and management of our Company. We also have a dedicated and experienced management group who are in charge of operation, quality management and delivery to each of our customers and functions well as a team along-with the expertise and vision to expand our business. We believe that our management team's experience and their understanding of the relevant industry will enable us to continue to take advantage of both current and future market opportunities. Our experience together with our consistent and successful track record of timely delivery and customer satisfaction provides us a competitive edge.

BUSINESS STRATEGIES

1. Optimize Cost and Efficiencies

Our Company seeks to expand and enhance our presence in our existing business by identifying markets where we can provide cost effective, technically advanced products to our customers. Our Company plans to cater to various customers from different geographical locations. Our Company would also aim to build-up our sales force which will enable us to effectively market our products. We regularly analyze our existing policies to be carried out for our technical and designing process which enables us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

2. Augment our Working Capital base in order to better utilize our installed capacities

Our business of manufacturing of power tools is working capital intensive. We need to maintain sufficient inventory for the production process and also maintain a balance between debtors & creditors cycle. Our growth depends on our ability to increase our production capacity over the next few years. This expansion needs access to a larger amount of liquid funds and sufficient working capital. For further details of the proposed working capital requirements of our Company, please refer to the section titled '*Objects of the Issue*' beginning on page 44 of this Draft Letter of Offer. We believe that being well funded in the working capital domain will help us in the following strategic initiatives:

- Accelerate development of new products to suit different needs of customers.
- Respond to market dynamics and provide custom based designs with focus on customer satisfaction.
- Focus on producing / marketing high value priced products.

3. Expand our Current Business Relationships

Our goal is to build long-term sustainable business relationships with our customers to generate increasing revenues. We plan to continue to expand the scope and range of products provided to our existing customers by continuing to build our expertise and extending our capabilities. In addition, we intend to continue to develop better and new products for the industry we operate in. We also seek to serve a greater support to our customers by offering after sales services.

4. Increasing Manufacturing Capacity

With our product offerings providing various applications across industries, we believe we can gain from high growth industry trends as well as various initiatives introduced by the Government of India to facilitate the growth of the automotive, agriculture and construction and infrastructure industries. In order to capitalize on such opportunities, we intend to increase our manufacturing capacities for the manufacture of products.

SALES, MARKETING, AND DISTRIBUTION

We conduct our sales operation through our regional sales structure across the country. We have divided the market into six regions. Each region is headed by regional managers who have a sales team and a customer retention team under them. As part of customer acquisition strategy, we provide value added services to our customers. We conduct our marketing and advertising campaigns on both local and regional bases.

Our Company has marketing and sales distribution channel all over India. Company has in place a Dealer Policy Manual which guides on the method of selection of dealers, criteria used to select, setting commercial terms and monitoring of performance. Company has a Dealer Price List which are circulated to all Authorized Dealers and revised/reviewed from time to time. Power Tools in general are sold through a very large number of Shops dealing in hardware items. Since such number of shops are very large company selects and deals only with big dealers and designate them as Authorized Dealers who in turn sell to shops & smaller outlets in their area. The end users for power tools vary from large Government sector

undertakings like Defence, Railways, to Private Sector undertakings, Construction Companies to small electricians for home maintenance & repairs. Company will focus on dealer promotional activities, training and providing after sales service support while actual counter sales will be done by the dealers/shopkeepers.

RAW MATERIALS

The major raw materials used by the company in manufacture of power tools are Nylon, Steel, Aluminium and Copper Wires. While Nylon and Aluminium are required for the outer body, Steel is required to manufacture various internal components such as Shafts, Gears, Pinions etc. Copper Wire is used for the manufacture of Motors and Stators. All the essential raw materials are easily available within India. The major raw materials used in the manufacturing and manufacturers of such materials are as under. These raw materials are also easily available in the open market through dealers and suppliers.

DESCRIPTION OF SUBSISTING COLLABORATIONS

As on date of this Draft Letter of Offer, our Company does not have any collaboration's nor any performance guarantee or assistance in marketing by the collaborators, infrastructure facilities for raw materials and utilities like water, electricity, etc for our products and services.

DETAILS OF MATERIAL PROPERTIES

Our Company has an owned factory premises located at B - 305, Hind Saurashtra Industrial Estate, Marol Naka, Andheri (East), Mumbai – 400059, Maharashtra, India, which is scheduled at 1,200 square feet.

HISTORY AND CORPORATE STRUCTURE

BRIEF CORPORATE HISTORY OF OUR COMPANY

Our Company was originally incorporated under the provisions of The Companies Act, 1956 as '*Sparc Systems Private Limited*' on September 14, 1989, with the Registrar of Companies, Maharashtra. However, the name of our Company was changed from '*Sparc Systems Private Limited*' to '*Sparc Systems Limited*' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Maharashtra on January 18, 1994. The equity shares of our company got listed on January 22, 1996, with BSE.

Our Company is bearing Scrip ID 'SPAR', Scrip Code '531370', and ISIN 'INE960B01015'. The Corporate Identification Number of our Company is L72100MH1989PLC053467.

CHANGES IN OUR REGISTERED OFFICE

The registered office of our Company is situated at 1202, 12th Floor, Esperanza Building, next to Bank of Baroda, 198, Linking Road, Bandra (W), Mumbai – 400050, Maharashtra, India.

Address		Effective from	Reason for change
From	To		
Plot No 11, Survey No. 118/1-2 village Pundhe, At Post Athgaon, Thane-421301, Maharashtra, India	1202, 12 th Floor, Esperanza Building, next to Bank of Baroda, 198, Linking Road, Bandra (W), Mumbai – 400050, Maharashtra, India	November 29, 2021	Administrative Convenience

MAIN OBJECTS OF OUR COMPANY

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

To carry on the business of manufacturing, designing, processing, buying, selling, trading, importing, exporting, exchanging, assembling, repairing, and to act as indenting agents and as sales agents of all kinds of metal and metal products, electro mechanical tools, machinery and mechanical appliances, electrical equipment and parts thereof, engineering goods and parts and accessories thereof, iron and steel, base metal, ferrous and non-ferrous metals, alloys, alloy steels, special and stainless steels, shafts, bars, rods, flats, pipes, squares, sponge iron, pre-reduced billets, billets, Aluminium ingots, and metal scraps, rubber and rubber scrap, manufacturing, converting, processing and fabricating all types of electrical wires, enamelled wires, cables, conductors, pipes, utensils wires, nails wire ropes, wire products, screw expanded metal, hinges, plates, strip, hoops, round circles, angles and manufacturer of any other engineering products and importers of and dealers in all such and allied merchandise, and all kinds of tools with self-contained electric or non-electric or battery operated motors, power tools, garden tools, agricultural tools and implements and forestry tools and equipment, agricultural, horticultural or forestry machinery for soil preparation or cultivation; lawn or sports-ground rollers, harvesting or threshing machinery, other agricultural, horticultural, forestry and wood working tools, chain saws, stone cutting tools, tools for working in the hand, pneumatic, hydraulic or with self-contained electric or non-electric motor, diamond blades, tct saws, drill bits, motors and their parts, armatures, carbon and carbon brushes, plastic injection moulds and dies, die casting dies, general machinery and tools of all kinds, accessories, spare parts, plastics and plastic articles thereof, rubber and rubber articles thereof, wood and articles thereof, machinery and mechanical appliances and electrical equipment and their parts and accessories, bearings of all kinds and sizes, wet grinders, grinders of all types, hand pumps and parts thereof, power driven pumps, centrifugal pumps (horizontal and vertical), deep tube-well turbine pumps, submersible pumps, axial flow and mixed flow vertical pumps, solar water heater and system, electrically operated vehicles, including two and three wheeled electric vehicles, bicycles, scooters, charger or charging station for electrically operated vehicles, Scientific and technical instruments, apparatus, equipment, accessories, parts, components, spares, tools, mock ups and modules iron, machinery parts, tools and implements of all kinds cast iron and steels and metal goods, textile machineries and accessories, jute mills machineries, mining machineries, iron and steel industries, cement, paper, fertilizer, chemicals, refractories and power plant machineries and equipment, and accessories, earth cutting and moving machineries bull-dozers, dumpers, dredgers, shovels, road rollers, electro- medical appliances and instruments, electrical machineries and equipment, oil and flour mill machineries and accessories fire fighting machineries and equipment, structural materials, pulleys, chain pulleys, blocks, cranes, fork lifters, conveying equipment, boilers, furnaces, chimneys, accessories, precision instruments and tools, drilling and grinding machineries, press, shears, foundry machineries, forging machineries, marbles, granite, all kinds of minerals and mineral products, all types of stone and all kinds of all kinds of agricultural and forest produce.

CHANGES IN MEMORANDUM OF ASSOCIATION

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	To shift the registered office of the Company outside the limit of same city/town/village - Special Resolution	November 29, 2021	Postal Ballot
2.	To increase the Authorised Share Capital of the Company – Ordinary Resolution	November 29, 2021	
3.	To adopt revised Articles of Association of the Company - Ordinary Resolution		
4.	Change of Object Clause of the Memorandum of Association of the Company - Special Resolution. To carry on the business of manufacturing, designing, processing, buying, selling, trading, importing, exporting, exchanging, assembling, repairing, and to act as indenting agents and as sales agents of all kinds of metal and metal products, electro mechanical tools, machinery and mechanical appliances, electrical equipment and parts thereof, engineering goods and parts and accessories thereof, iron and steel, base metal, ferrous and non-ferrous metals, alloys, alloy steels, special and stainless steels, shafts, bars, rods, flats, pipes, squares, sponge iron, pre-reduced billets, billets, Aluminium ingots, and metal scraps, rubber and rubber scrap, manufacturing, converting, processing and fabricating all types of electrical wires, enamelled wires, cables, conductors, pipes, utensils wires, nails wire ropes, wire products, screw expanded metal, hinges, plates, strip, hoops, round circles, angles and manufacturer of any other engineering products and importers of and dealers in all such and allied merchandise, and all kinds of tools with self-contained electric or non-electric or battery operated motors, power tools, garden tools, agricultural tools and implements and forestry tools and equipment, agricultural, horticultural or forestry machinery for soil preparation or cultivation; lawn or sports-ground rollers, harvesting or threshing machinery, other agricultural, horticultural, forestry and wood working tools, chain saws, stone cutting tools, tools for working in the hand, pneumatic, hydraulic or with self-contained electric or non-electric motor, diamond blades, tct saws, drill bits, motors and their parts, armatures, carbon and carbon brushes, plastic injection moulds and dies, die casting dies, general machinery and tools of all kinds, accessories, spare parts, plastics and plastic articles thereof, rubber and rubber articles thereof, wood and articles thereof, machinery and mechanical appliances and electrical equipment and their parts and accessories, bearings of all kinds and sizes, wet grinders, grinders of all types, hand pumps and parts thereof, power driven pumps, centrifugal pumps (horizontal and vertical), deep tube-well turbine pumps, submersible pumps, axial flow and mixed flow vertical pumps, solar water heater and system, electrically operated vehicles, including two and three wheeled electric vehicles, bicycles, scooters, charger or charging station for electrically operated vehicles, Scientific and technical instruments, apparatus, equipment, accessories, parts, components, spares, tools, mock ups and modules iron, machinery parts, tools and implements of all kinds cast iron and steels and metal goods, textile machineries and accessories, jute mills machineries, mining machineries, iron and steel industries, cement, paper, fertilizer, chemicals, refractories and power plant machineries and equipment, and accessories, earth cutting and moving machineries bull-dozers, dumpers, dredgers, shovels, road rollers, electro-medical appliances and instruments, electrical machineries and equipment, oil and flour mill machineries and accessories fire fighting machineries and equipment, structural materials, pulleys, chain pulleys, blocks, cranes, fork lifters, conveying equipment, boilers, furnaces, chimneys, accessories, precision instruments and tools, drilling and grinding machineries, press, shears, foundry machineries, forging machineries, marbles, granite, all kinds of minerals and mineral products, all types of stone and all kinds of all kinds of agricultural and forest produce.	November 29, 2021	EGM
5.	Change the Name of the Company - Special Resolution	November 29, 2021	EGM
6.	Adoption of Object clause of Memorandum of Association as per provisions of Companies Act, 2013 - Special Resolution	November 29, 2021	EGM

OUR MANAGEMENT

BOARD OF DIRECTORS

Our Articles of Association provide that our Board shall consist of minimum 3 (Three) Directors and not more than 15 (Fifteen) Directors, unless otherwise determined by our Company in a general meeting.

As on date of this Draft Letter of Offer, our Company currently has 6 (Six) directors on its Board, 1 (One) Whole-Time Director, 2 (Two) Executive Directors, and 3 (Three) Independent Directors. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations, to the extent applicable.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Letter of Offer:

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship	Other Directorships
<p>SHOBITH GANESH HEGDE Designation: Whole Time Director and Chief Financial Officer DIN: 02211021 Date of Birth: July 20, 1982 Age: 39 years Occupation: Business Address: 1101/1201, Bonny Casa, CTS No. F/873, Dr. Ambedkar Road, Bandra (W), Next to Axis Bank, TPS III, Mumbai-400050, Maharashtra, India Nationality: Indian Original Date of Appointment: October 19, 2021 Date of Re-appointment/ Regularization: October 19, 2021 Current Term: Three years w.e.f October 19, 2021 Qualification: Masters of Business Administration (MBA) University of Kingston (UK) & Bachelors of Business Administration (BBA) University of Greenwich (UK). Experience: Experience in various engineering industries & trade, by having worked at Punj Lloyd Limited, a diversified international conglomerate in Engineering, Infrastructure, Pipelines, EPC as Senior Manager in-charge of New Projects from October 2015 till 2019. He was also a part of a 4 member team overseeing upgradation of weapons. He has also shielded the position of a Project Manager for the upgradation of 428 nos of ZU-23 Air Defence Guns for the Ministry of Defence, Govt. His work in Electrex International Private Limited March 2011 – August 2015 included as the head of Marketing, and supported the wider sales team, oversaw strategic account planning, business development, sales forecasting, marketing and pricing, performed consumer research and facilitated new-product introduction process, managed the development of packaging and product manuals, managed all aspects of new product launches to dealers, travelled to China and Taiwan for factory visits to initiate development of new products, Implemented procurement strategies and policies, and forecasted procurement needs, sourced local and foreign suppliers for various products/spare parts. Managed supplier and buyer relations, and has travelled extensively in U.S, Europe, China, Taiwan etc. for business and is well versed with international and domestic trade and industry. Role in the Company: Mr. Shobith G Hegde is young, well qualified, and experienced and his appointment as a Whole Time Director and Chief Financial Officer (CFO) will help the Company to plan, enter and grow in new business areas. His strong administrative and organisational skills will help the Company in managing its new and growing business.</p>	<ol style="list-style-type: none"> 1. Mount Abu Holdings Private Limited 2. Anshoit Engineers Private Limited 3. Shakthi Power Tools Private Limited 4. Electrex Power Tools Private Limited 5. Electrex International Private Limited

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship	Other Directorships
RAVIKUMAR BYRAPATNA CHANNAPPA Designation: Executive Director DIN: 06595061 Date of Birth: 22/07/1971 Age: 50 years Occupation: Business Address: Belekere, Ramanagara-562160, Karnataka Nationality: Indian Original Date of Appointment: June 27, 2020 Date of Re-appointment/ Regularization: September 27, 2020 Current Term: Five years w.e.f. June 27, 2020 Qualification: Diploma in Mechanical Engineering Experience: He has more than 25 years of experience in the field product development, R &D, manufacturing and factory management, and well versed in managing the work force and monitoring the product plastic injection, molded parts in engineering plastic industries, tool room, molds and dies manufacturing.	1. Hegde Power Tools Limited
SURESH VISHWANATHAN Designation: Executive Director DIN: 02310679 Date of Birth: 02/08/1956 Age: 65 years Occupation: Business Address: B-606, Star Lokpuram. Pokhran Road No. 2, Opp. Hiranandani Meadows, Thane-400610, Maharashtra, India. Nationality: Indian Original Date of Appointment: November 30, 2021 Date of Re-appointment/ Regularization: November 30, 2021 Current Term: 5 (Five) Years w.e.f November 30, 2021 Qualification: Economics Graduate and CAIIB(I) Experience: Banker and Finance Professional with over four decades of experience in a Nationalised Bank and in the NBFC domain. Joined the State Bank Group as a Probationary Officer in December 1979 and served the Bank in various capacities including Branch Manager. He was in the Credit Department of the Bank and in that position held a large portfolio of accounts in various sectors. Cashew, Aluminum, Steel, Cement and Textiles were some of the sectors he handled in his tenure at the Credit Department. He was also involved in a lot of rehabilitation of sick units during his tenure here. He subsequently headed three Branches which were medium sized. In 1991 he left the State Bank Group and joined the NBFC World. After a brief stint with the Ispat and Bharat Forge group he joined L&T Finance as Head of Corporate Finance. During his tenure here he introduced a lot of new products and was the pioneer in IPO Financing Loans against shares for Promoters Motor Vehicle Financing. In Corporate Financing he introduced operating lease and the bluest of blue companies were his clients. He also did a lot of Securitization of Assets during his tenure here. The total size of the book under his supervision increased from Rs 200 Crores in 1996 (when he joined LTF) to Rs 4000 Crores in 2008 when he left the Company. He left the Company as a Vice President. Subsequent to his leaving LTF he did financial consultancy in a Coal Company in a Logistics Company and lastly with Sakthi Finance Ltd. He also has been syndicating both Debt and Equity to various corporates in the Country. His experience apart from Finance includes manufacturing too as he managed a power tool unit for about three years.	1. Ace Power Tools Private Limited
NIRAJ HARESHBHAI VARIAVA Designation: Independent Director DIN: 09197068	Nil

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship	Other Directorships
<p>Date of Birth: 14/11/1985 Age: 36 years Occupation: Professional Address: B-104, Mahendra Palace, Dindayal Nagar, Opp. Union Bank, Bassein Road, Vasai Road (West), Thane-401202, Maharashtra, India Nationality: Indian Original Date of Appointment: June 08, 2021 Date of Re-appointment/ Regularization: June 08, 2021 Current Term: 5 years w.e.f. June 08, 2021 Qualification: Chartered Accountant Experience: He has an extensive and in depth knowledge and working experience of more than 15 years in the field of Accountancy, Auditing, VAT, GST and Domestic and International Taxation, appearance before judicial authorities. He also done some certified programmes on Information System Audit (ISA), conducted by Instituted of Chartered Accountant of India and Programme for Internal & Concurrent Audit of Depository Participants for Central Depository Services (India) Limited conducted by Bombay Stock Exchange. Initially he was admitted as a Partner in one of the Mumbai based Chartered Accountancy firm called Pravin Chandak & Associates (A firm around standing of 30 years in market) and with a vision to stand apart he established his own Chartered Accountancy Firm in 2017 with a name and style of N H Variava & Co. His practice provides wide range of services in Direct and Indirect Tax including International Taxation viz. Statutory Audit Tax Audit, Internal Audit, Process Audit, Stock Audit, Bank Audit, Management Audit, GST Audit, Transfer Pricing Audit, Due Diligence, Pricing Structure, Preparing Business Plans, Budget and Forecast, Business Structuring of Foreign Clients, Fund Raising, Income Tax Assessments, Appeals before Commissioner (Appeals) and Income tax Appellate Tribunal including Excise. During his 15 years of working, he is been an instrumental tool in growth of various clients and is a part of their success story. His vast experience helps existing clients and new clients especially Start-ups to set them up a suitable road map according their business structure. Over the years, he has provided professional services to industries of diverse nature Viz: Manufacturing, Government Sector, Trading, Banking, Insurance, NBFCs, Infrastructure, Garments, Jewellery, Power Sector, Share Broking, Information Technology, Entertainment, Hospital and Service industries.</p>	
<p>ASHOK CHHAGANBHAI PATEL Designation: Independent Director DIN: 08024669 Date of Birth: 10/03/1989 Age: 33 years Occupation: Professional Address: 301, Kanti Nx, Opp. North Lane Shopping Complex, Near Vasai Railway Station, Near Laal Gowdon, Vasai (W), Palghar – 401202. Maharastra, India. Nationality: Indian Original Date of Appointment: April 22, 2022 Date of Re-appointment/ Regularization: April 22, 2022 Current Term: 5 years w.e.f. June 08, 2021 Qualification: Commerce and Law graduate and qualified Company Secretary in practice Experience: Experience of around 8 years in the field of Accounts, Taxation, Compliance, Company Laws, Listing Regulations, and other Law of Land. In the opinion of the Board and based on the declaration of independence submitted by him, he is a person of integrity, has the necessary knowledge, experience and expertise for being appointed as an Independent Director and</p>	<p>1. Toyam Industries Limited</p>

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship	Other Directorships
fulfils the conditions specified in the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director of the Company.	
SUSHMITA SWARUP LUNKAD Designation: Independent Woman Director DIN: 09044848 Date of Birth: December 29, 1994 Age: 28 Years Occupation: Professional Address: 96, Bhavani Peth, Subhash Chouk, Jalgaon – 425 001, Maharashtra, India Nationality: Indian Original Date of Appointment: April 22, 2022 Date of Re-appointment/ Regularization: May 28, 2022 Current Term: 5 years w.e.f. June 08, 2021 Qualification: Commerce and Law graduate and qualified Company Secretary in practice Experience: Experience of around 5 years in the field of Accounts, Taxation, Compliance, Company Laws; Listing Regulations and other Law of Land and having regards to her qualification, the Committee and the Board is of the opinion that her expertise and experience will suit to the requirement of the Company.	1. Shri Venkatesh Refineries Limited 2. Rkam India Private Limited

PAST DIRECTORSHIPS IN SUSPENDED COMPANIES

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Draft Letter of Offer.

PAST DIRECTORSHIPS IN DELISTED COMPANIES

Further, none of our Directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Draft Letter of Offer.

RELATIONSHIP BETWEEN DIRECTORS

As on the date of this Draft Letter of Offer, None of the Directors are related to each other.

ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS

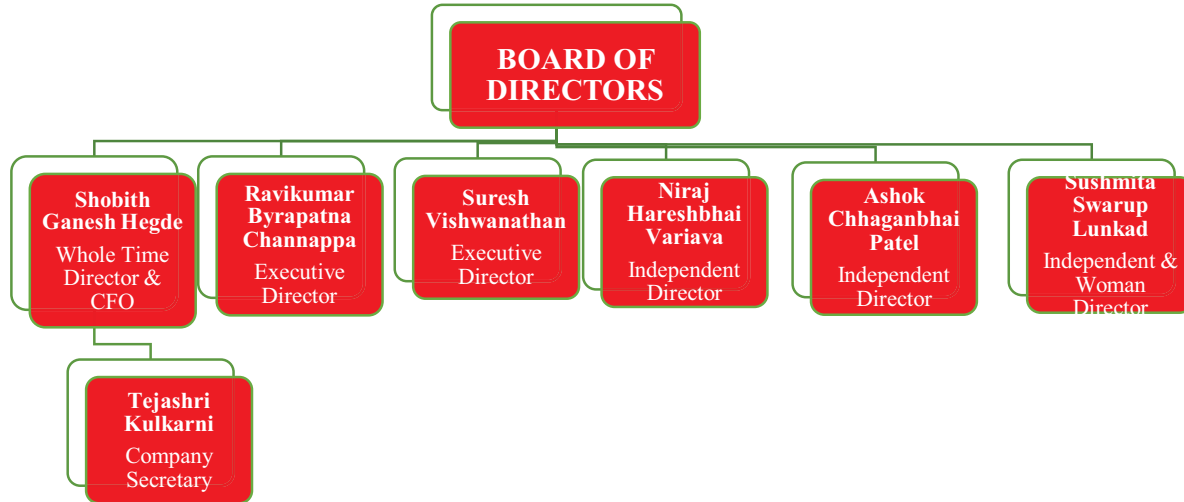
Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

DETAILS OF SERVICE CONTRACTS ENTERED WITH DIRECTORS

Our Company has not entered into any service contracts with the present Board of Directors for providing benefits upon termination of employment.

ORGANISATIONAL STRUCTURE

The following chart depicts our Management Organization Structure:



CORPORATE GOVERNANCE

Since the Company is falling within the criteria of Regulation 15 (2) of SEBI (LODR) Regulations, therefore, the Corporate Governance requirement are not applicable to the Company as on March 31, 2022. However, the Company has complied with the requirements of corporate governance provisions composition of its board of directors, constitution of committees such as audit committee, nomination and remuneration committee, stakeholders relationship committee, etc. as prescribed under the provisions of the Companies Act.

1. AUDIT COMMITTEE

The Audit Committee has been constituted in accordance with the provisions of Section 177 of the Companies Act, 2013, the details of which are specified as under:

Name of the Member	Designation
Ashok Chhaganbhai Patel	Chairman
Niraj Hareshbhai Variava	Member
Sushmita Swarup Lunkad	Member

The role of the Audit Committee includes the following:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial Statements are correct, sufficient and credible;
- To recommend the appointment, re-appointment and removal of Auditors, fixing of audit fees and approval of payments;
- Reviewing with management the Annual financial Statements before submission to the Board;
- Reviewing with the management and external Auditors, the adequacy of internal control systems
- Reviewing the adequacy of Cost Audit function;
- Discussing with Cost Auditors any significant findings and follow up on such issues;
- Discussing with the external Auditors before the Audit commences on the nature and scope of Audit, as well as having post Audit discussion to ascertain the area of concern, if any;
- Reviewing the Company's financial and risk management policies; and
- Examining reasons for substantial default in the payment to Shareholders (in case of non-payment of declared dividends) and creditors, if any

- To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- Review the internal audit reports relating to internal control weaknesses;
- Scrutinize inter-corporate loans and investments;
- Review the functioning of the Whistle blower mechanism
- Look after the risk assessment including fraud risk and risk guidelines governing the risk management process;
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 with reference to events which were regarded as UPSI, whether such UPSI were shared in the manner expected, instances of leaks, if any, instance of breaches of the Code, efficiency of sensitization process, etc. at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- To investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice

2. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been constituted in terms of section 178 (3) of Companies Act, 2013, the details of which are specified as under:

Name of the Member	Designation
Ashok Chhaganbhai Patel	Chairman
Niraj Hareshbhai Variava	Member
Sushmita Swarup Lunkad	Member

The Company Secretary of our Company shall act as the Secretary to the Nomination and Remuneration Committee. The details of this policy are available on the Company's website <https://sparcelectrex.com/policies/>

The role of the Nomination and Remuneration Committee are as follows:

- To formulate criteria for evaluation and evaluate the performance of every director, including the Independent Directors;
- To identify and recommend to the Board, in accordance with the criteria as laid down, appointment/ reappointment/ removal of the Executive /Non-Executive Directors and the senior management of the Company;
- Recommend to the board appointment of key managerial personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this committee).
- Carry out evaluation of every director's performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors.
- This shall include "formulation of criteria for evaluation of independent directors and the Board"
- On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company.
- To monitor and handle any other matter relating to framing/administration of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 or any amendments thereof;
- Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria lay down, and recommend to the Board their appointment and removal.
- The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been constituted in terms of section 178 of Companies Act, 2013, the details of which are specified as under:

Name of the Member	Designation
Niraj Hareshbhai Variava	Member
Ashok Chhaganbhai Patel	Chairman
Sushmita Swarup Lunkad	Member

The role of the Stakeholder Relationship Committee are as follows:

- To consider and resolve the grievances of security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- To consider and approve demat/ remat of shares / split / consolidation / sub-division of share / debenture certificates;
- To consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transposition of names, deletion of names transfer and transmission of securities, etc.
- To review adherence to the standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- To review of the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- To deal with Shareholders' and Investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividends and matters related thereto.
- To exercise all power conferred on the Board of Directors under Articles of Association.
- Attending to complaints of Investor routed by SEBI / Stock Exchanges / RBI.

KEY MANAGERIAL PERSONNEL

Status of Key Managerial Personnel		Age (Years)
MR. SHOBITH GANESH HEGDE		40 years
Designation	Whole Time Director and Chief Financial Officer;	
Address	1101/1201, Bonny Casa, CTS No. F/873, Dr. Ambedkar Road, Bandra (W), Next to Axis Bank, TPS III, Mumbai-400050, Maharashtra, India	
Date of Appointment	October 19, 2021	
Nationality	Indian;	
Educational Qualification	BBA & MBA (Business Management) from United Kingdom	
Term of Office	Permanent Employee	
Details of previous employment	Electrex International Pvt Ltd	
Functions and areas of experience in the Company	Marketing Director	
MR. RAVIKUMAR BYRAPATNA CHANNAPPA		52 years
Designation	Executive Director	
Address	Belekere, Ramanagara – 562160, Karnataka	
Date of Appointment	June 27, 2020	
Nationality	Indian;	
Educational Qualification	Diploma in Engineering	
Term of Office	Permanent Employee	
Details of previous employment	Electrex Power Tools Private Limited and Electrex International Private Limited	
Functions and areas of experience in the Company	Director	
TEJASHRI KULKARNI		29 years
Designation	Company Secretary and Compliance Officer;	
Address	B-103, Dipti Sapphire, Natwar Nagar Road No.2, Jogeshwari €, Mumbai – 400 060. India.	
Date of Appointment	April 22, 2022	
Nationality	Indian;	
Educational Qualification	Company Secretary & LLB;	
Term of Office	Permanent Employee	
Details of previous employment	NA	
Functions and areas of experience in the Company	NA	

PROMOTERS/ PRINCIPAL SHAREHOLDERS

SHOBHA ANANT HEGDE

DIN: 02191801

Date of Birth: February 12, 1958

Age: 64 years

Occupation: Business

Address: 601, Raheja Grand, Turner Road, Opp Fab India, Bandra West, Mumbai – 400050, Maharashtra, India

Nationality: Indian

Qualification: Undergraduate

Experience: Experience of three decades in manufacturing and trading of electronic power tools.

Directorship: Anshoit Engineers Private Limited and Electrex Power Tools Private Limited and an Additional Director of Easy Power Tools Private Limited and Electrex International Private Limited.

ELECTREX INTERNATIONAL PRIVATE LIMITED

CIN	U29305MH2012PTC228270		
ROC Code	RoC-Mumbai		
Registration Number	228270		
Company Category	Company limited by Shares		
Company Sub-Category	Non-govt company		
Class of Company	Private		
Authorised Capital (Rs)	50,00,000		
Paid up Capital (Rs)	20,00,000		
Number of Members (Applicable in case of company without Share Capital)	0		
Date of Incorporation	16/03/2012		
Registered Address	Office No.503, 5 th Floor,Plot-213,Raheja Chambers, Free Press Journal Marg, Nariman Point Mumbai – 400021, Maharashtra, India		
Email ID	electrexinternational@gmail.com		
Whether Listed or not	Unlisted		
ACTIVE compliance	ACTIVE compliant		
Suspended at stock exchange	-		
Date of last AGM	30/11/2021		
Date of Balance Sheet	31/03/2021		
Company Status (for e-filing)	Active		
Directors	Name of the Director	DIN	Date of Appointment
	Shobha Anant Hegde	02191801	19/04/2019
	Shobith Ganesh Hegde	02211021	11/01/2021

Extracts of Financial Statement for the Financial Year ending March 31, 2021, and March 31, 2020:

Profit and Loss Statement

(Rs. In Lakhs)

Particulars	Audited for the Financial Year ending March 31,		
	2021	2020	2019
Income from operations	135.00	188.99	253.53
Other Income	20.00	18.00	35.75
Total Income	155.00	206.99	289.28
Total Expenditure	136.18	197.25	272.85
Profit Before Depreciation Interest and Tax	24.00	15.16	19.37
Depreciation	5.18	5.42	2.94
Interest	-	-	-
Profit Before Tax	18.82	9.74	16.43
Less: Provision for Tax	2.10	3.06	3.47
Profit After Tax	16.72	6.68	12.96

Balance Sheet

(Rs. in Lakhs)

Particulars	Audited for the Financial Year ending March 31,		
	2021	2020	2019
(A) Sources of funds			
Paid up share capital	20.00	10.50	1.00
Reserves & Surplus (excluding revaluation reserves)	44.60	25.78	16.04
Less: Miscellaneous Expenditure not written off	-	-	-
Net Worth	64.60	36.28	17.04
Non-Current Liabilities	126.77	73.28	260.97
Current Liabilities	25.25	36.25	33.46
Total (A)	216.62	145.81	311.47
(B) Uses of funds			
Net Fixed Assets	181.21	16.11	5.03
Investments	-	-	-
Other Non-Current Assets	-	67.25	48.49
Current Assets	35.41	62.45	257.95
Total (B)	216.62	145.81	311.47

ELECTREX POWER TOOLS PRIVATE LIMITED

CIN	U29253MH2011PTC221271		
ROC Code	RoC-Mumbai		
Registration Number	221271		
Company Category	Company limited by Shares		
Company Sub-Category	Non-govt company		
Class of Company	Private		
Authorised Capital (Rs)	50,00,000		
Paid up Capital (Rs)	10,00,000		
Number of Members (Applicable in case of company without Share Capital)	0		
Date of Incorporation	25/08/2011		
Registered Address	602, Raheja Grand, Turner Road, Bandra (West), Mumbai - 400050, Maharashtra, India		
Email ID	electrexpowertools@gmail.com		
Whether Listed or not	Unlisted		
ACTIVE compliance	ACTIVE compliant		
Suspended at stock exchange	-		
Date of last AGM	30/11/2021		
Date of Balance Sheet	31/03/2021		
Company Status (for e-filing)	Active		
Directors	Name of the Director	DIN	Date of Appointment
	Shobha Anant Hegde	02191801	25/08/2011
	Shobith Ganesh Hegde	02211021	12/04/2021

Extracts of Financial Statement for the Financial Year ending March 31, 2021, and March 31, 2020:

Profit and Loss Statement

(Rs. In Lakhs)

Particulars	Audited for the Financial Year ending March 31,		
	2021	2021	2021
Income from operations	5.75	2.30	2.10
Other Income	5.35	3.32	2.30
Total Income	11.10	5.62	4.40
Total Expenditure	6.26	3.27	3.17
Profit Before Depreciation Interest and Tax			
Depreciation	0.02	0.02	0.02
Interest	-	-	-

Particulars	Audited for the Financial Year ending March 31,		
	2021	2021	2021
Profit Before Tax	4.84	2.35	1.23
Less: Provision for Tax	1.21	0.70	0.28
Profit After Tax	3.63	1.65	0.95

Balance Sheet

(Rs. in Lakhs)

Particulars	Audited for the Financial Year ending March 31,		
	2021	2021	2021
(A) Sources of funds			
Paid up share capital	5.00	1.00	1.00
Reserves & Surplus (excluding revaluation reserves)	6.91	3.28	0.93
Less: Miscellaneous Expenditure not written off	-	-	-
Net Worth	11.91	4.28	1.93
Non-Current Liabilities	-	-	-
Current Liabilities	3.99	2.38	1.48
Total (A)	15.90	6.66	3.41
(B) Uses of funds			
Net Fixed Assets	-	-	-
Investments	-	-	-
Other Non-Current Assets	0.04	0.05	0.07
Current Assets	15.86	6.61	3.34
Total (B)	15.90	6.66	3.41

DIVIDEND POLICY

Under the Companies Act, 2013, a company pays dividends upon a recommendation by its Board of Directors and approval by majority of the Shareholders at the general meeting. Under the Companies Act, 2013, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

However, as on date of this Letter of Offer, neither our Company has a formal dividend policy for declaration of dividend in respect of Equity Shares, nor has declared any dividend on the Equity Shares since incorporation.

SECTION VII – FINANCIAL INFORMATION

SPARC ELECTREX LTD
(Formally Known as Sparc Systems Limited)
CIN: L72100MH1989PLC053467
Restated Summary Statement of Profit & Loss Account For the Financial Year 2021-22

Particulars	Note No.	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
CONTINUING OPERATIONS				
Income				
Revenue From Operations	18	13,14,71,785	-	46,052
Other Income and Other Gains/(Losses)	19	1,92,59,983	4,90,520	8,39,751
Total Revenue		15,07,31,768	4,90,520	8,85,803
Expenditure				
Cost of Material Consumed	20	(12,56,391)	0	42,390
Change in Inventory	21	(46,81,102)	-	-
Purchases for Trading Items		13,11,77,060	-	-
Employee benefits expenses	22	10,17,090	1,80,000	1,26,895
Depreciation and amortisation expenses	23	4,841	14,135	13,100
Other expenses	24	22,66,964	2,03,76,118	8,23,710
Total expenses		12,85,28,462	2,05,70,253	10,06,095
Profit / (Loss) before exceptional items and tax		2,22,03,306	(2,00,79,733)	(1,20,292)
Exceptional Items		-	-	-
Tax expense:				
(1) Current tax		7,92,000	-	-
(2) Deferred tax	3	2,35,790	(53,444)	-
(3) MAT Credit Entitlement /(utilisations)				
(4) Short / (Excess) provision for tax of earlier				
Total tax expenses		10,27,790	(53,444)	-
Profit / (Loss) for the year after tax		2,11,75,516	(2,00,26,289)	(1,20,292)
Other Comprehensive Income				
Items that will not be reclassified to profit or				
Remeasurement of net defined benefit Plans				
Items that will not be reclassified to profit or		-	-	-
Items that may be reclassified to profit or loss		-	-	-
Other Comprehensive Income for the Year		-	-	-
Total Comprehensive Income for the year		2,11,75,516	(2,00,26,289)	(1,20,292)
Earnings per equity share: (in Rs)				
Equity shares of Par value of Rs. 10 /-each				
Basic	25	4.33	(4.10)	(0.02)
Diluted	25	4.33	(4.10)	(0.02)

In terms of our report of even date

For and on behalf of the Board of Directors

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

SPARC ELECTREX LTD
(Formally Known as Sparc Systems Limited)

CA. Rishabh M Jain

Partner
Membership No. 179547

Shobhit G Hegde
Wholetime Director
& CFO
DIN-02211021

Suresh Vishwanathan
Director
DIN-02310679

Tejashri Kulkarni
Company
Secretary
M.N.A56576

Date : 21-May-22
Place : Mumbai

SPARC ELECTREX LTD
(Formally Known as Sparc Systems Limited)
CIN: L72100MH1989PLC053467
Restated Summary of Cash flows for the year ended March 31, 2022

Particulars	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Operating activities			
Profit Before Tax	2,22,03,306	(2,00,79,733)	(1,20,292)
Adjustments to reconcile profit before tax to net cash inflow			
Depreciation and amortisation	4,841	14,135	13,100
Interest income	(2,59,983)	(4,78,941)	(4,50,000)
Sundry Balance written Back	(1,90,00,000)	(8,864)	(3,74,284)
Provision for bad Advances	-	-	-
	29,48,164	(2,05,53,403)	(9,31,476)
Working capital adjustments :-			
(Increase) / Decrease in Trade and Other Receivables	(1,69,56,463)	-	-
(Increase) / Decrease in Inventories	(59,37,493)	(26,209)	(3,980)
(Increase) / Decrease in Loan	(70,56,980)	(3,38,020)	5,95,000
(Increase) / Decrease in Other Current Assets	69,68,453	(55,716)	1,87,40,094
(Increase) / Decrease in Other Non Current Assets	6,00,000	1,95,00,000	(1,91,10,000)
Increase / (Decrease) in Trade and Other Payables	1,67,13,232	(12,352)	12,352
Increase / (Decrease) in Other Financial Liabilities	6,00,101	2,12,253	(33,857)
Increase / (Decrease) in Other Current Liabilities	(59,470)	1,01,328	(2,49,685)
Increase / (Decrease) in Current Tax Asset	(7,53,572)	9,079	-
Cash generated from operations	(29,34,028)	(11,63,040)	(9,81,552)
Direct taxes paid (Net off Refund)	-	-	1,88,564
Net cash flow from operating activities	(29,34,028)	(11,63,040)	(7,92,987)
Investing activities			
Purchase of Property, Plant and Equipment	(1,06,22,500)	-	-
Interest received	2,59,983	4,78,941	4,50,000
Net cash flow used in investing activities	(1,03,62,517)	4,78,941	4,50,000
Financing activities			
Proceeds from Borrowings (Net)	2,10,41,250	5,29,175	99,000
Interest paid	-	-	-
Net cash flow from financing activities	2,10,41,250	5,29,175	99,000
Increase in cash and cash equivalents	77,44,705	(1,54,925)	(2,43,987)
Cash and cash equivalents at the beginning of the year	73,424	2,28,349	4,72,336
Cash and cash equivalents at the end of the year	78,18,129	73,424	2,28,349

Particulars	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Cash in Hand	19,95,777	10,085	793
Bank Balances			
- In Current Accounts	8,20,434	63,339	2,27,556
Other Bank Balances			
In Deposit Accounts	50,01,918	-	-
	78,18,129	73,424	2,28,349

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

For and on behalf of the Board of Directors
SPARC ELECTREX LTD
(Formally Known as Sparc Systems Limited)

CA. Rishabh M Jain

Partner
Membership No. 179547

Shobhit G Hegde

Wholtime Director
& CFO
DIN-02211021

Suresh Vishwanathan

Director
DIN-02310679

Tejashri Kulkarni

Company
Secretary
M.N.A56576

Date : 21-May-22
Place : Mumbai

SPARC ELECTREX LTD
(Formally Known as Sparc Systems Limited)
CIN: L72100MH1989PLC053467
Statement of Changes in Equity for the Period ended Marc 31, 2022

A. Equity Share Capital

Equity Share Capital	Balance as at April 01, 2021	Changes in equity share capital during the year	Balance as at March 31,2022
Paid up Capital	4,88,90,000	-	4,88,90,000
Forfeited Equity Shares Capital	7,95,000		7,95,000
Total	4,96,85,000	-	4,96,85,000

B. Other Equity

Particulars	OTHER EQUITY		
	Retained Earnings	Other Comprehensive Income	Total
Balance as at March 31,2020	(1,63,72,076)	-	(1,63,72,076)
Profit for the year	(2,00,26,289)	-	(2,00,26,289)
Balance as at March 31,2021	(3,63,98,365)	-	(3,63,98,365)
Profit for the year	2,11,75,516	-	2,11,75,516
Balance as at March 31,2022	(1,52,22,849)	-	(1,52,22,849)

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

For and on behalf of the Board of Directors
SPARC ELECTREX LTD
(Formally Known as Sparc Systems Limited)

CA. Rishabh M Jain

Partner

Membership No. 179547

Shobhit G Hegde

Wholetime Director
 & CFO

DIN-02211021

Suresh Vishwanathan

Director

DIN-02310679

Tejashri Kulkarni

Company
 Secretary

M.N.A56576

Date : 21-May-22

Place : Mumbai

SPARC ELECTREX LTD (Formerly Known as Sparc Systems Limited)	
CIN: L72100MH1989PLC053467	
Accompanying notes to the Restated financial statements for the Year ended March 31, 2022	
Note 1	
A	Corporate information
	SPARC ELECTREX LIMITED (Formerly Known as SPARC SYSTEMS LIMITED) ('the Company') is in business of Security System. The Company is a public limited company incorporated in India and has its registered office at Mumbai, Maharashtra, India. The Company has its primary listing in BSE Ltd.
B	SIGNIFICANT ACCOUNTING POLICIES
1	Basis of preparation and presentation
	<p>These financial statements have been prepared in accordance with Indian Accounting standards (hereinafter referred to as the 'Ind AS') notified by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Act.</p> <p>Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March, 2022, the Statement of Profit and Loss for the year ended 31 March 2022, the Statement of Cash Flows for the year ended 31 March 2022 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').</p> <p>These Financial Statements were approved by the Board of Directors and authorised for issue on, May 2022.</p> <p>The financial statements have been prepared on an accrual system, based on the principle of going concern and under the historical cost convention, unless otherwise stated.</p> <p>The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest rupee, unless otherwise stated.</p> <p>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.</p>
C	Use of Estimates:
	The preparation of the financial statements, in conformity with the Ind AS, requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.
i)	Estimates and assumptions
	The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.
ii)	Deferred tax assets
	In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will not recognize Deferred tax asset since it is not probable that taxable profit will be available in future against which the deductible temporary difference can be utilised.
iii)	Provisions
	Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash flow can be reliably estimated. The timing of recognition and quantification of the liability require application of judgement to the existing facts and circumstances which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing the facts and circumstances

D	Property, Plant and Equipment
i)	Tangible Assets
	<p>Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.</p> <p>Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.</p>
ii)	Intangible Assets
	<p>Intangible assets includes software which are not integral part of the hardware are stated at cost less accumulated amortisation. Intangible assets under development represents expenditure incurred in respect of softwares under development and are carried at cost.</p> <p>Assets acquired but not ready for use are classified under Capital work-in-progress or intangible assets under development, as the case may be.</p>
E	Depreciation and Amortisation:
	<p>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.</p>
F	Financial Instruments
	<p>A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.</p>
	i) Financial Assets
	Initial Recognition
	<p>In the case of financial assets not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.</p>
	Subsequent Measurement
	<p>For purposes of subsequent measurement, financial assets are classified in following categories:</p>
	Financial Assets at Amortised Cost (AC)
	<p>Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.</p>
	Financial Assets Measured at Fair Value
	<p>Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.</p> <p>Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.</p>

G	Impairment of Financial Assets:
	<p>In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.</p> <p>The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.</p> <p>For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.</p> <p>ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.</p> <p>ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.</p>
H	De-recognition of Financial Assets
	<p>The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.</p> <p>If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.</p> <p>If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.</p>
	b) Equity Instruments and Financial Liabilities
	Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.
	Equity Instruments
	An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.
I	Financial Liabilities
	i) Initial Recognition
	Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

	ii) Subsequent Measurement
	The measurement of financial liabilities depends on their classification, as described below
	Financial liabilities at FVPL
	Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.
	Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.
	Financial liabilities at amortised cost
	<p>After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.</p> <p>Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.</p>
	iii) De-recognition of Financial Liabilities
	Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.
	iv) Offsetting Financial Instruments
	Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.
J	Impairment of Non-Financial Assets
	As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.
	Recoverable amount is determined:
	- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
	- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.
	In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.
	<p>Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.</p> <p>When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.</p>

K	Trade receivables
	A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.
L	Trade payables
	A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.
M	Earnings Per Share
	Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.
	Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).
N	Cash and Cash Equivalents
	Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.
O	Borrowing Costs
	Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.
	Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.
P	Revenue Recognition:
i)	Revenue is recognized when all significant risks and rewards of ownership of the goods are passed on to the buyer and no significant uncertainty exists as to its realization or collection.
ii)	Revenue from sale of good is recognized on delivery of the products, when all significant contractual obligation have been satisfied, the property in the goods is transferred for a price, significant risks, reward and no effective control.
iii)	Interest Income is recognized on a time proportion basis by reference to the principal outstanding and at the interest rate applicable.
Q	Foreign Currency Transactions:
a	Initial Recognition
	Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.
b	Conversion
	Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
c	Treatment of Exchange Difference
	Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in Non Integral operations.
R	Inventories
	Inventories are valued at cost or net realizable value whichever is lower. Cost of property under construction held as inventory includes cost of purchases, construction cost, and other cost incurred in bringing the properties to their present location and condition.

S	Provisions and Contingent Liabilities and Assets:
	A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.
	Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.
	Contingent asset is not recognised unless it becomes virtually certain that an flow of economic benefits will arise.
T	Employee Benefits
	i) Defined Contribution Plan
	Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.
	ii) Defined Benefit Plan
	The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.
	iii) Leave entitlement and compensated absences
	Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.
	iv) Short-term Benefits
	Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.
	v) Termination benefits
	Termination benefits are recognised as an expense as and when incurred.
U	Accounting for Taxes of Income:-
i)	Current Taxes
	Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

ii)	Deferred Taxes
	<p>Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.</p>
	<p>Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.</p>
iii)	Minimum Alternative Tax
	<p>The Company has obtained the Section 115BAA as per Income Tax hence, MAT is not applicable. The company has also reversed all the MAT credit of Previous Years as Expenses / Income as obtained tax regime under Section 115BAA of Income Tax Act.</p>

Fixed Asset
Notes to Restated financial statements for the Period ended March 31, 2022

Note 2 : Property, Plant & Equipment

Particulars	Factory Building	Plant & Machinery	Furniture & Fixtures	Dies & Moulds	Computer	Total
Year Ended March 31, 2021						
Gross Carrying Amount						
Opening Gross Carrying Amount	-	67,31,071	5,31,629	9,67,558	43,548	82,73,806
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers/Reclassified	-	-	-	-	-	-
Closing Gross Carrying Amount	-	67,31,071	5,31,629	9,67,558	43,548	82,73,806
Accumulated Depreciation and Impairment						
Opening Accumulated Depreciation	-	64,17,558	5,05,048	9,62,371	22,395	79,07,373
Depreciation charge during the year	-	-	-	-	14,135	14,135
Disposals	-	-	-	-	-	-
Transfers/Reclassified	-	-	-	-	-	-
Closing Accumulated Depreciation and Impairment	-	64,17,558	5,05,048	9,62,371	36,530	79,21,508
Net Carrying Amount	-	3,13,513	26,581	5,187	7,018	3,52,299

Year Ended March 31, 2022						
Gross Carrying Amount						
Opening Gross Carrying Amount	-	67,31,071	5,31,629	9,67,558	43,548	82,73,806
Additions	1,06,22,500	-	-	-	-	1,06,22,500
Disposals	-	-	-	-	-	-
Transfers/Reclassified	-	-	-	-	-	-
Closing Gross Carrying Amount	1,06,22,500	67,31,071	5,31,629	9,67,558	43,548	1,88,96,306
Accumulated Depreciation and Impairment						
Opening Accumulated Depreciation	-	64,17,558	5,05,048	9,62,371	36,530	79,21,508
Depreciation charge during the year	-	-	-	-	4,841	4,841
Disposals	-	-	-	-	-	-
Transfers/Reclassified	-	-	-	-	-	-
Closing Accumulated Depreciation and Impairment	-	64,17,558	5,05,048	9,62,371	41,371	79,26,349
Net Carrying Amount	1,06,22,500	3,13,513	26,581	5,187	2,177	1,09,69,958

The WDV of the assets except for Computer have been reduced to 5% of the Cost, which is the estimated Scrap Value as per the Companies Act, 2013. Hence no depreciation is charged for financial year 2021-22 pertaining to those assets.

Note 2 a: Non-Current assets Held For Sale

Particulars	As at 31st March 2022		As at 31st March 2021	
	Land	Buildings	Land	Buildings
Year Ended March 31, 2022				
Gross Carrying Amount				
Opening Gross Carrying Amount	50,850	8,37,588	50,850	8,37,588
Additions(Net Carrying Amount)				
Disposals	-	-	-	-
Transfers/Reclassified				
Closing Gross Carrying Amount	50,850	8,37,588	50,850	8,37,588
Accumulated Depreciation and Impairment				
Opening Accumulated Depreciation	-	-	-	-
Depreciation charge during the year				
Disposals	-	-	-	-
Transfers/Reclassified	-	-	-	-
Closing Accumulated Depreciation and Impairment	-	-	-	-
Net Carrying Amount	50,850	8,37,588	50,850	8,37,588

The directors of Company decided to dispose of two properties i.e Land & Building. Both properties were actively marketed by the directors and sales are expected before the end of September 2022 (Earlier financial year was expected in Mar'22). Further, the management on its judgement and for the purpose of adequate disclosure has not provided for Depreciation on Building from the time the said asset was classified under held for sale

SPARC ELECTREX LTD
(Formerly Known as Sparc Systems Limited)
Notes forming part to the Restated Financial Statement for the Year ended March 31, 2022

Note 3: Deferred Tax Assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
MAT Credit Entitlement	-	2,10,111	2,10,111
Timing Differencedue to differences in WDV of fixed assets	-	(2,05,553)	-
Deferred Tax Asset (on above differences)	27,765	53,444	-
Total Deferred Tax Assets	27,765	2,63,555	2,10,111

Note 4: Other Non Current Assets

Particulars	As at Mar 31, 2022	As at March 31, 2021	As at March 31, 2020
Capital Advances	3,85,00,000	2,01,00,000	2,01,00,000
Provision for Forseeable Losses	(1,95,00,000)	(1,95,00,000)	-
Total	1,90,00,000	6,00,000	2,01,00,000

In FY 21-22, Management has Reassign the advances to other party of Rs.1.90 Crore and the amount will be received as per mutual agreed both the parties. (In FY 20-21, The Company has created a Provision for the abovesaid amount of Rs. 1,95,55,000 during the FY 20-21 as against the Advances provided by the Company which as per the Previous Management Judgement and Estimates may turn out to be bad)

Note 5: Inventories

Particulars	As at Mar 31, 2022	As at March 31, 2021	As at March 31, 2020
Raw materials and consumable items	13,01,100	44,709	18,500
Finished Goods - Trading Item	46,81,102	-	-
Total	59,82,202	44,709	18,500

Note 6: Trade Receivable

Particulars	As at Mar 31, 2022	As at March 31, 2021	As at March 31, 2020
Overdue for a period exceeding six months			
Unsecured Considered Good	16,20,000	-	-
Others			
Trade Receivables (Unsecured and Considered Good) #	1,53,36,463	-	-
Total	1,69,56,463	-	-

includes Rs. 43,20,000/- (Previous year Rs.Nil) to related party M/s Electrex International Private Limited

Ageing of Trade Receivables

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,53,36,463	16,20,000	-	-	-	1,69,56,463
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Note 7: Cash & Cash Equivalents

Particulars	As at Mar 31, 2022	As at March 31, 2021	As at March 31, 2020
Balances with Banks			
-Current Accounts	8,20,434	63,339	2,27,556
Cash on Hand	19,95,777	10,085	793
Other Bank Balances			
In Deposit Accounts	50,01,918	-	-
Total Cash & Cash Equivalents	78,18,129	73,424	2,28,349

Note 8: Loan

Particulars	As at Mar 31, 2022	As at March 31, 2021	As at March 31, 2020
Unsecured considered good-			
Loan to other body Corporate	1,28,00,000	57,43,020	54,05,000
Total	1,28,00,000	57,43,020	54,05,000

Note 9: Other Current Financial Assets

Particulars	As at Mar 31, 2022	As at March 31, 2021	As at March 31, 2020
Deposits	24,515	24,515	24,515
Total	24,515	24,515	24,515

Note 10: Current Tax Assets (Net)

Particulars	As at Mar 31, 2022	As at March 31, 2021	As at March 31, 2020
Advance Tax & TDS (Net of Provisions)	7,89,493	35,921	45,000
Total	7,89,493	35,921	45,000

Note 11: Other Current Assets

Particulars	As at Mar 31, 2022	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good			
Advances given	55,000	77,30,655	77,22,544
Provision for Forseeable Losses	(55,000)	(55,000)	
Balance with Government Authorities	3,06,014	1,82,916	82,011
Advances to Creditors	5,85,804	1,700	-
Total	8,91,818	78,60,271	78,04,555

Note 12: Equity Share Capital

Particulars	As at Mar 31, 2022	As at March 31, 2021	As at March 31, 2020
Authorised			
2,00,00,000 Eq. Share of 10 Each(P.Y.60,000,000 Equity Shares of Rs 10 each)	20,00,00,000	6,00,00,000	6,00,00,000
Total	20,00,00,000	6,00,00,000	6,00,00,000
Issued & Subscribed			
50,40,000 Equity Shares of Rs 10/- each fully paid up	5,04,00,000	5,04,00,000	5,04,00,000
	5,04,00,000	5,04,00,000	5,04,00,000
Paid Up			
4889000 (4889000) Equity Shares of Rs. 10/- each	4,88,90,000	4,88,90,000	4,88,90,000
Add: Forfeited Equity Shares	7,95,000	7,95,000	7,95,000
Total	4,96,85,000	4,96,85,000	4,96,85,000

a) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

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

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

Particulars	Equity Shares		Equity Shares	
	As on March 31, 2022		As on March 31, 2021	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	48,89,000	4,88,90,000	48,89,000	4,88,90,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	48,89,000	4,88,90,000	48,89,000	4,88,90,000

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

Name of the Shareholder	Equity Shares			
	As on September 30, 2021		As on March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shobha Anant Hegde	11,75,738	24.05%	-	0.00%
Epson Finance & Inv Pvt Ltd	4,75,217	9.72%	7,19,600	14.72%
Stephanotis Finance Limited (Vora Constructions Limitd)	3,04,649	6.23%	3,79,649	7.77%
Khem Sum Apparels Overseas Ltd	-	0.00%	2,89,665	5.92%
Jude Terrence D'Souza	3,04,649	6.23%	4,49,400	9.19%

Note 13: Other Equity

Particulars	As at Mar 31, 2022	As at March 31, 2021	As at March 31, 2020
Retained Earnings	(1,41,38,477)	(3,53,13,993)	(1,52,87,704)
Closing Balance	(1,41,38,477)	(3,53,13,993)	(1,52,87,704)
i) Retained Earnings			
Balance as at the beginning of the year	(3,53,13,993)	(1,52,87,704)	(1,51,67,412)
Add- Profit for the current year	2,11,75,516	(2,00,26,289)	(1,20,292)
Net surplus in the statement of profit and loss account	(1,41,38,477)	(3,53,13,993)	(1,52,87,704)

Nature and Purpose of Reserves :

Retained Earnings

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

Note 14: Borrowing

Particulars	As at Mar 31, 2022	As at March 31, 2021	As at March 31, 2020
Unsecured			-
- Inter Corporate Loan	2,16,05,500	5,64,250	50,000
- Loan from Directors	1,33,925	1,33,925	1,19,000
	2,17,39,425	6,98,175	1,69,000

Note 15: Trade Payables

Particulars	As at Mar 31, 2022	As at March 31, 2021	As at March 31, 2020
Due to Micro, Small & Medium enterprises (refer note no. 29)	1,58,30,474	-	-
Others	8,82,758	-	12,352
Total	1,67,13,232	-	12,352

Ageing of Trade Payables					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Particulars					
1) MSME	1,58,30,474	-	-	-	1,58,30,474
2) Others	8,82,758	-	-	-	8,82,758
3) Disputed dues – MSME	-	-	-	-	-
4) Disputed dues – Others	-	-	-	-	-
	1,67,13,232	-	-	-	1,67,13,232

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

Note 16: Other Financial Liabilities (Current)

Particulars	As at Mar 31, 2022	As at March 31, 2021	As at March 31, 2020
Statutory Dues	2,16,528	23,075	77,500
Creditors for Expenses	11,08,080	7,01,430	4,34,753
Provision for Income Tax	7,92,000	-	-
Total	21,16,607	7,24,505	5,12,253

Note 17: Other Current Liabilities

Particulars	As at Mar 31, 2022	As at March 31, 2021	As at March 31, 2020
Advance from Customers	32,994	92,464	-
Total	32,994	92,464	-

SPARC ELECTREX LTD (Formally Known as Sparc Systems Limited)
Notes forming part to the Restated Financial Statement for the Year ended March 31, 2022

Note 18: Revenue from Operations

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
Trading for Steel Items	12,58,09,785	-	-
Service Charges for Consultancy	55,00,000	-	-
Manufacturing Turnover-Electronic Equipments	1,62,000	-	46,052
Total Revenue from Operations	13,14,71,785	-	46,052

Note 19: Other Income and Other Gains/(Losses)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Income on Deposits/Advances/ Loan	2,59,983	4,78,941	4,50,000
Interest on Income Tax Refund	-	2,700	15,438
Liabilities no longer required written back	-	8,864	3,74,284
Mis. Income	-	15	29
Provisions for Bad Advances (Write Back / Net)	1,90,00,000	-	-
	1,92,59,983	4,90,520	8,39,751

Note 20 : Cost of Material Consumed

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
Opening Stock - Raw Material	44,709	18,500	14,520
Add : Purchase of Electronic Equipments	-	26,209	46,370
Closing Stock - Raw Material	13,01,100	44,709	18,500
	(12,56,391)	0	42,390

Note 21 : Change in Inventory

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
Closing Stock			
-Finished Goods - Trading	46,81,102	-	-
Opening Stock			
-Finished Goods - Trading	-	-	-
	(46,81,102)	-	-

Note 22: Employee Benefit Expense

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
Salary & Stipend	9,87,000	1,80,000	1,14,623
Directors remuneration	-	-	-
Staff welfare	30,090	-	6,542
Workman Insurance Expenses	-	-	5,730
Total	10,17,090	1,80,000	1,26,895

Note 23: Depreciation and amortisation expenses

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation on Property, Plant and Equipment	4,841	14,135	13,100
Total Depreciation and amortisation expenses	4,841	14,135	13,100

Note 24: Other Expenses

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
Advertisement	71,800	-	38,020
Auditors Remuneration-			
Statutory Audit Fees	1,00,000	1,02,000	30,000
Interest on Late Payment of Taxes	3,294	2,491	-
Internal Audit Fees	60,000	60,000	-
Provision for Bad Advances	-	1,95,55,000	-
Registrar and Transfer Fees	83,501	75,261	-
Bank Charges	758	532	732
Courier & Postage Charges	45,789	-	61,847
Electricity Charges	32,240	11,420	12,413
Listing & Custodian fees	3,51,000	3,41,000	3,19,620
Office & Misc. Expenses	27,792	-	21,812
Printing And Stationary	44,671	-	22,421
Professional Fees	3,35,000	1,50,000	1,28,000
Rates & Taxes	1,00,833	2,500	2,500
ROC Charges	4,595	7,800	5,000
Telephone Expenses	52,052	40,115	43,200
Travelling & Conveyance	2,98,898	-	9,524
Penalty / Late Filing Fees	1,000	28,000	1,28,620
Repair & Maintenance	32,751	-	-
Transportation Charges	6,20,989	-	-
	22,66,964	2,03,76,118	8,23,710

Details of Payment to Auditors

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
For Statutory Audit Fees	1,00,000	1,02,000	30,000
Total Payment to Auditors	1,00,000	1,02,000	30,000

Note 25: Earning Per Share			
Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
Weighted average number of shares outstanding during the period	48,89,000	48,89,000	48,89,000
Weighted average number of Potential Equity shares outstanding during the year	48,89,000	48,89,000	48,89,000
Total number of Potential Equity Share for calculating Diluted Earning Per share	48,89,000	48,89,000	48,89,000
Net Profit \ (Loss) after tax available for equity shareholders	2,11,75,516	(2,00,26,289)	(1,20,292)
Basic Earning per share (in Rs.)	4.33	(4.10)	(0.02)
Diluted Earning per share (in Rs.)	4.33	(4.10)	(0.02)

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

SPARC ELECTREX LTD (Formally Known as Sparc Systems Limited)
Notes forming part to the Restated Financial Statement for the Year Ended March 31, 2022
(Amount in Rs.)

Note 26: Disclosure regarding Related Party

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

i) Nature and Relationship of Related Parties

a) Directors, Key Management Personnel & Relatives of KMP

J. T. D'Souza (Resignation 20/11/2021)	Managing Director
Punit Neb (Resignation 30/11/2021)	Whole Time Director
Shobhit G Hegde (Appointed w.e.f. 19/10/2021)	Whole Time Director & CFO
Suresh Vishwanathan (Appointed w.e.f. 19/10/2021)	Director
Deep Shah (Resignation 14/07/2021)	Company Secretary
Pallavi Pravin Lakdawala (appointed w.e.f. 23/07/2021 & Resigned on 14/01/2022)	Company Secretary
Tejashri Kulkarni (appointed w.e.f. 22/04/2022)	Company Secretary
Ravikumar Channappa (appointed w.e.f. 27/06/2020)	Director
Kajal Jain (Resignation 21/04/2022)	Independent Director
Niraj Hareshbhai Variava (appointed w.e.f. 08/06/2021)	Additional Director
Kajalben Kishorbhai Sampat (appointed w.e.f. 08/06/2021) & Resigned on 21/12/2021)	CFO(KMP)
Ashok Chhaganbhai Patel (appointed w.e.f. 22/04/2022)	Independent Director
Sushmita Swarup Lunkad (appointed w.e.f. 22/04/2022)	Independent Director
Deepika Singh (Resigned w.e.f 14/02/2020)	Company Secretary
Santosh Shetty (Resigned w.e.f 27/06/2020)	Independent Director
Ashok Jain (Resigned w.e.f 30/03/2019)	Independent Director

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

Sr. No.	Director's Name	Entity's Name	Nature of Holdings
1	Shobhit Hegde	Electrex International Private Limited	25%
2	Shobhit Hegde	Electrex Power Tools Private Limited	50%
3	Shobhit Hegde	Anshoit Engineers Private Limited	50%
4	Shobhit Hegde	Mount Abu Holdings Private Limited	
5	Suresh Vishwanathan	Ace Power Tools Private Limited	
6	J. T .D'Souza	*Epson Finance & Investments P. Ltd	96%
7	Punit Neb		4%

ii) Transactions with Related Parties during the year
Relationship

Particulars	Nature of Transaction	March 31, 2022	March 31, 2021	March 31, 2020
a) Directors and Key Management Personnel				
Deep Shah	Remuneration	62,500	1,20,000	-
Pallavi Pravin Lakdawala	Remuneration	78,500	-	-
J. T .D'Souza	Loan taken from Director	-	14,925	49,000
J. T .D'Souza	Reimbursement of expenses	76,191	96,757	29,748
Punit Neb	Reimbursement of expenses repaid to director	7,500	52,500	-
Electrex International Pvt.Ltd (Creditors)	Expenses Paid by the Company	3,08,214	-	-
Electrex International Pvt.Ltd (Debtors)	Service Charge Income (Excluding GST)	40,00,000	-	-
Electrex International Pvt.Ltd (Loan)	Loan Taken	2,19,04,500	-	-
Electrex International Pvt.Ltd (Loan)	Loan Repaid	2,99,000	-	-

iii) Closing Outstanding Balances of Related Parties

Particulars	Nature	March 31, 2022	March 31, 2021	March 31, 2020
J. T .D'Souza	Remuneration Payable	2,18,031	2,18,031	2,18,031
Punit Neb	Remuneration Payable	7,500	7,500	7,500
J. T .D'Souza	Unsecured Loan payable	63,925	63,925	49,000
Punit Neb	Unsecured Loan payable	70,000	70,000	70,000
Electrex International Pvt.Ltd	Unsecured Loan payable	2,16,05,500	-	-
Electrex International Pvt.Ltd	Creditors for Expenses (Reimbursement)	3,61,170	-	-
Electrex International Pvt.Ltd	Sundry Debtors	43,20,000	-	-
Punit Neb	Payable (Reimbursement of expenses)	30,689	30,689	83,189
J. T .D'Souza	Payable (Reimbursement of expenses)	2,02,696	1,26,505	29,748

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

SPARC ELECTREX LTD (Formally Known as Sparc Systems Limited)
Notes forming part to the Restated Financial Statement for the Year ended March 31, 2022

Note 27 : Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

(Amount in Rs.)								
31st March 2022	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Other Financial Assets	-	-	24,515	24,515	-	-	-	-
Trade receivables	-	-	1,69,56,463	1,69,56,463	-	-	-	-
Cash and cash equivalents	-	-	78,18,129	78,18,129	-	-	-	-
	-	-	2,47,99,107	2,47,99,107	-	-	-	-
Financial liabilities								
Borrowing			2,17,39,425	2,17,39,425				
Trade Payables	-	-	1,67,13,232	1,67,13,232				
Other Financial Liabilities	-	-	21,16,607	21,16,607				
	-	-	4,05,69,264	4,05,69,264	-	-	-	-
31st March 2021								
31st March 2021	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Other Financial Assets	-	-	24,515	24,515	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	73,424	73,424	-	-	-	-
	-	-	97,939	97,939	-	-	-	-
Financial liabilities								
Borrowing			6,98,175	6,98,175				
Trade Payables	-	-	-	-				
Other Financial Liabilities	-	-	7,24,505	7,24,505				
	-	-	14,22,680	14,22,680	-	-	-	-

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The Fair Value of the Financial Assets & Liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

Financial instruments measured at fair value

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

I. Fair value hierarchy

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

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

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

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

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

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

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

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
 - o Use of quoted market price or dealer quotes for similar instruments
 - o Using discounted cash flow analysis.

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

SPARC ELECTREX LTD (Formally Known as Sparc Systems Limited)
Notes forming part to the Restated Financial Statement for the Year ended March 31, 2022

Note 27 : Financial instruments – Fair values and risk management (continued)

C. Financial Risk Management

C.i. Risk management framework

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

C.ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally

(a) Trade and other receivables from customers

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

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

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

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

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

Ageing of Accounts receivables :

(Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
Neither Past due nor impaired	1,53,36,463	-
Past due but not impaired	-	-
Past due more than 180 days	16,20,000	-
Total	1,69,56,463	-

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

(b) Cash and cash equivalents and Other Bank Balances

The Company held cash and cash equivalents and other bank balances of Rs. 78,18,129 at 31st March, 2022. (Rs. 73,424 at 31st March, 2021). The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing. Also, Company invests its short term surplus funds in bank fixed deposit, which carry no / low mark to market risks for short duration therefore does not expose the Company to credit risk.

C.iii. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – trade payables and borrowings.

Liquidity risk management

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

The Company maintained a cautious funding strategy, with a positive cash balance throughout the year ended 31st March, 2022 and 31st March, 2021. This was the result of cash delivery

Maturities of non – derivative financial liabilities

(Amount in Rs.)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Financial Liabilities - Current				
i. Current Borrowings *	2,16,05,500	1,33,925	5,29,175	1,69,000
ii. Trade payables	1,67,13,232	-	-	-
Total	3,83,18,732	1,33,925	5,29,175	1,69,000

C.iv. Market risk

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

C.iv.a Currency risk

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

C.iv.b Interest rate risk

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

Note 28 : Ratios

Sr. No.	RATIOS	FY 21-22	FY 20-21	% CHANGE	NUMERTOR	DENOMINATOR	REMARK
1	Current Ratio	1.11	9.10	-87.74%	Sum of CURRENT ASSETS	Sum of CURRENT Liabilities	--
2	Debt-Equity Ratio	0.61	0.05	1158.85%	Sum of Borrowings	Sum of Shareholders Fund	--
3	Debt Service Coverage Ratio	NA	NA	NA	Profit after tax but before Depreciation and interest	Sum of Interest & repayment of Debt as per Cash Flow	--
4	Return on Equity Ratio	4.26	(4.03)	-205.74%	Profit after tax	Sum of Shareholders Fund	--
5	Inventory Turnover Ratio	21.98	-	NA	Turnover	Sum of Inventory	--
6	Trade Receivables Turnover Ratio	7.75	-	NA	Turnover	Sum of Trade Receivables	--
7	Trade Payables Turnover Ratio	7.85	-	-	Purchase	Sum of Trade Payable	--
8	Net Capital Turnover Ratio	3.70	-	NA	Turnover	Sum of Shareholders Fund	--
9	Net Profit Ratio	0.16	NA	NA	Profit after tax	Turnover	--
10	Return on Capital Employed	0.39	(1.33)	-129.11%	EBIT	Sum of Shareholders Fund and Sum of Borrowings	--
11	Return on Investment	0.37	(1.33)	-127.81%	Profit after tax	Sum of Shareholders Fund and Sum of Long Term Borrowings	--

Note 29 : Restated Segment Reporting

S No	Particulars	Year Ended	Year Ended
		31.03.2022	31.03.2021
		Audited	Audited
1	Segment revenue		
	(a) Manufacturing of Electrical Tools & Service	56,62,000	-
	(b) Trading	12,58,09,785	-
	TOTAL INCOME	13,14,71,785	-
2	Segment results profit / (loss) before tax and interest		
	(a) Manufacturing of Electrical Tools & Service	56,26,711	-
	(b) Trading	(15,482)	-
	TOTAL	56,11,228	-
	Less : Finance Cost	0	-
	Less : Other unallocable expenses	26,67,906	10,15,253
	TOTAL	29,43,323	(10,15,253)
	Add: Other unallocable income	2,59,983	4,90,520
	Loss before exceptional items and tax		
	Add/(less): Exceptional items- income/(expenses)	1,95,00,000	(1,95,55,000)
	Total profit/(loss) before tax	2,27,03,306	(2,00,79,733)
3	Segment Assets		
	(a) Manufacturing of Electrical Tools & Service	72,41,100	-
	(b) Trading	1,56,97,565	-
	Total Segment Assets	2,29,38,665	-
	Unallocable Assets	5,32,10,116	1,58,86,151
	Total Assets	7,61,48,781	1,58,86,151
4	Segment Liabilities		
	(a) Manufacturing of Electrical Tools & Service	-	-
	(b) Trading	1,58,30,474	-
	Total Segment Liability	1,58,30,474	-
	Unallocable Liability	2,47,71,784	15,15,144
	Total Liability	4,06,02,258	15,15,144

Note :- The Company operates in Two segment as defined by IND AS 108 from the Financial Year 2021-22 onwards.

SPARC ELECTREX LTD (Formally Known as Sparc Systems Limited)
Notes forming part to the Restated Financial Statement for the Year Ended March 31, 2022

Note 30 : Capital Management

The company's objectives when managing capital are to

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

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

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

Note 31 : Contingent Liability- NIL

Note 32 :

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

Note 33 :

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

Note 34 :

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

Note 35 :

Un-hedged foreign currency exposure:

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

Note 36 :

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

Note 37 :

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

Note 38 :

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

Note 39 :

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

Note 40 :

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

Note 41 :

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

Note 42 :

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

In terms of our report of even date
For Motilal & Associates LLP
(Formerly Known as Motilal & Associates)
Chartered Accountants
ICAI FRN: 106584WW100751

For and on behalf of the Board of Directors
SPARC ELECTREX LTD (Formally Known as Sparc Systems Limited)

CA. Rishabh M Jain

Partner

Membership No. 179547

Shobhit G Hegde

Wholetime Director
& CFO

DIN-02211021

**Suresh
Vishwanathan**

Director

DIN-02310679

Tejashri Kulkarni

Company
Secretary

M.N.A56576

Date : 21-May-22

Place :Mumbai

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Audited Financial Information for the Financial Years ending March 31, 2022, March 31, 2021 and March 30, 2020. For further details please refer to the section titled '*Financial Statements*' beginning on page 78 of this Draft Letter of Offer.

ACCOUNTING RATIOS

Particulars	Based on Restated Audited Financial Statements for the Financial Year ending March 31,		
	2022	2021	2020
Basic earnings per Equity Share (₹)	4.33	(4.10)	(0.02)
Diluted earnings per Equity Share (₹)	4.33	(4.10)	(0.02)
Return on Net Worth (%)	6.12%	(3.28%)	(0.35%)
Net Asset Value per Equity Share (₹)	7.27	2.94	7.04
EBITDA (₹ in Lakhs)	32.08	(5.11)	(1.07)

The formula used in the computation of the above ratios are as follows:

Particular	Computation of Formulas
Basic earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares);
Diluted earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares (including convertible securities));
Return on Net Worth (%)	(Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)) / (Net worth at the end of the year);
Net Asset Value per Equity Share (₹)	(Net Worth) / (Number of Equity Shares outstanding for the year);
EBITDA (₹)	Profit for the year before finance costs, tax, depreciation, amortization and exceptional items as presented in the statement of profit and loss

Calculation of Return on Net Worth (%)

(₹ in Lakhs)

Particulars	Based on Restated Audited Financial Statements for the Financial Year ending March 31,		
	2022	2021	2020
Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (₹) (A)	211.76	(200.26)	(1.20)
Net worth at the end of the year (₹) (B)	355.47	143.71	343.97
Return on Net Worth (%) [(A)/(B)]	5.95%	Nil	Nil

Calculation of Net asset value Equity Share

(₹ in Lakhs)

Particulars	Based on Restated Audited Financial Statements for the Financial Year ending March 31,		
	2022	2021	2020
Net Worth (₹) (A)	355.47	143.71	343.97
Number of issued, subscribed and fully paid-up Equity Shares outstanding as at the year ended (Numbers) (B)	48.89	48.89	48.89
Net Asset Value per Equity Share (₹) [(A)/(B)]	7.27	2.94	7.04

Calculation of Net Worth

(₹ in Lakhs)

Particulars	Based on Restated Audited Financial Statements for the Financial Year ending March 31,		
	2022	2021	2020
Equity Share capital (₹) (A)	496.85	496.85	496.85
Reserves and Surplus (₹) (B)	(141.38)	(353.14)	(152.87)
Net Worth (₹) [(A)/(B)]	(3.51)	(1.41)	(3.25)

Calculation of EBITDA

(₹ in Lakhs)

Particulars	Based on Restated Audited Financial Statements for the Financial Year ending March 31,		
	2022	2021	2020
Net Profit/ (loss) after tax (₹) (A)	211.76	(200.26)	(1.20)
Income tax expenses (₹) (B)	10.28	(0.53)	--
Finance Cost (₹) (C)	--	--	--
Depreciation and amortization expense (₹) (D)	0.05	0.14	0.13
EBITDA (₹) (A+B+C+D)	222.08	(200.66)	(1.07)

STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our company's Equity Shares are listed on the BSE. The Rights Equity Shares will be listed on BSE. The Rights Equity Shares being issued pursuant to this Issue have not been listed earlier and will be listed on the Stock Exchange pursuant to this Issue. For details, see '*Terms of the Issue*' on page 126 of this Draft Letter of Offer.

Our Company has received in-principle approval for listing of the Rights Equity Shares on the BSE to be issued pursuant to this Rights Issue from BSE by letter dated [●]. Our Company will also make applications to BSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars. For the purposes of this Issue, the Designated Stock Exchange is BSE.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

STOCK MARKET DATA OF THE EQUITY SHARES

The high, low, and average closing prices recorded on the BSE, during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Financial Year	Date of High	High (₹)	Volume on date of High (Number of Equity Shares)	Date of Low	Low (₹)	Volume on date of low (Number of Equity Shares)	Average price for the year (₹)
March 31, 2022	March 28, 2022	12.57	5300	April 07, 2021	3.92	99	8.24
March 31, 2021	July 13, 2020	5.12	10	November 10, 2020	2.42	59	3.77
March 31, 2020	April 10, 2019	5.13	100	Jan 15, 2020	2.92	11	4.02

Source: www.bseindia.com

STOCK PRICES FOR THE LAST SIX MONTHS

The high and low prices and volume of Equity Shares traded on the respective dates on the BSE during the last six months is as follows:

Month	Date of High	High (₹)	Volume (Number of Equity Shares)	Date of Low	Low (₹)	Volume (Number of Equity Shares)	Total number of days of trading	Average volume of Equity Shares
September 2022	Thursday, September 22, 2022	44.90/-	34,681	Wednesday, September 07, 2022	34.85/-	3,552	19	13037.26
August 2022	August 19, 2022	45.60/-	8,353	August 01, 2022	34.85/-	6,076	23	7,215
July 2022	July 29, 2022	33.20/-	8,827	July 01, 2022	21.40/-	50	21	4,439
June 2022	June 30, 2022	20.42/-	340	June 06, 2022	13.84/-	665	22	503
May 2022	May 02, 2022	13.19/-	10	May 30, 2022	13.84/-	100	21	55
April 2022	April 11, 2022	13.19	4,800	April 13, 2022	13.19	10,250	19	7,525

Source: www.bseindia.com

The high, low and average prices recorded on the BSE Limited, during the last 4 (Four) weeks and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Week ended on	Closing Price (₹)	High Price (₹)	Date of High	Low Price (₹)	Date of Low
Thursday, September 29, 2022	35.70	37.55/-	Monday, September 26, 2022	32.65	Thursday, September 29, 2022
Friday, September 23, 2022	39.50/-	44.90/-	Thursday, September 22, 2022	37.50/-	Tuesday, September 20, 2022
Friday, September 16, 2022	37.05/-	39.95/-	Monday, September 12, 2022	35.15/-	Thursday, September 15, 2022
Friday, September 09, 2022	38.20/-	40.95/-	Monday, September 05, 2022	34.85/-	Wednesday, September 07, 2022

Source: www.bseindia.com

The Issue Price of ₹ [●]/- per Equity Share has been arrived at by our Company.

SECTION VIII – LEGAL AND OTHER INFORMATION

KEY INDUSTRY REGULATION AND POLICES

Given below is an indicative summary of certain sector specific and relevant laws and regulations in India, which are applicable to our Company. Taxation statutes such as the Income Tax Act, 1961 and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999, apply to us as they do to any Indian company.

The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summary is based on the current provisions of applicable law, which are subject to change or modification or amended by subsequent legislative, regulatory, administrative or judicial decisions.

INDUSTRY-SPECIFIC LEGISLATIONS APPLICABLE TO OUR COMPANY

N.A

GENERAL LAWS PERTAINING TO COMPLIANCE TO BE FOLLOWED BY OUR COMPANY

The Companies Act 1956 and the Companies Act, 2013 (“Acts”)

The Companies Act 1956 is still applicable to the extent it is not repealed and the Companies Act, 2013 (and the amendments thereof) is applicable to the extent notified. The Acts along with the relevant rules, clarifications and modifications made thereunder deals with the incorporation of companies, the procedure for incorporation and governance and regulation of companies post incorporation. The provisions of the Acts shall apply to all the companies incorporated either under it or under any other previous law.

Labour law legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

Employees' Compensation Act, 1923

The Employees Compensation Act, 1923 (“EC Act”) (and the amendments thereof) provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC Act also lays down the duties/ obligations of an employer and penalties in cases of nonfulfillment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death \serious bodily injury.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (“the EPF Act”) is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act Frames Employees Provident Scheme, 1952

Employees State Insurance Act, 1948

The Employees' State Insurance Act, 1948 (the “ESI Act”) an act to provide for certain benefits to employees in case of sickness, maternity and ‘employment injury’ and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government

whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013.

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

TAX LAWS

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

1. Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
2. Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state -wise legislations made thereunder;
3. The Integrated Goods and Service Tax Act, 2017;
4. Professional Tax state-wise legislations; and
5. Indian Stamp Act, 1899 and various state-wise legislations made thereunder.

OTHER LABOUR LAW LEGISLATIONS

In addition to the aforementioned material legislations which are applicable to our Company, some of the other labour legislations that maybe applicable to the operations of our Company include:

1. State-wise Labour Welfare Fund Acts and rules made thereunder;
2. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the rules made thereunder;
3. The Industrial Employment (Standing Orders) Act, 1946;
4. Workmen Compensation Act, 1923;
5. Industrial Disputes Act, 1947;
6. Rights of Persons with Disabilities Act, 2016;
7. Child and Adolescent Labour (Prohibition and Regulation) Act, 1986;
8. Contract Labour (Regulation and Abolition) Act, 1970; and
9. Code on Wages Act, 2019.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All industries have to be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

Intellectual Property Laws

Intellectual property in India enjoys protection under both common law and statutes. Under statutes, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is party to several international intellectual property related instruments including the Patent Cooperation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the Berne Convention for the Protection of Literary and Artistic Works, 1886, the Universal Copyright Convention adopted at Geneva in 1952, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, 1961 and as a member of the World Trade Organisation is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights.

The Trademarks Act, 1999 (“Trademarks Act”)

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

Copyright Act, 1957

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, “**Copyright Laws**”) serve to create property rights for certain kinds of intellectual property, generally called works of authorship. The Copyright Laws protect the legal rights of the creator of an ‘original work’ by preventing others from reproducing the work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography and sound recordings. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars

entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

The Patents Act, 1970

While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years from the beginning of the calendar year next following the year in which the author dies. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

The Patents Act, 1970 (**“Patents Act”**) governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee.

FOREIGN INVESTMENT LAWS

The Foreign Trade (Regulation and Development) Act, 1992 and the rules framed thereunder (“FTA”)

As per notice dated June 28, 2017 by the Ministry of Finance, with effect from July 1, 2017, Goods and Services Tax legislations (including Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, States Goods and Services Tax Act, 2017 and Union Territory Goods and Services Tax Act, 2017) are applicable to us. In addition to the above, we are required to comply with the provisions of the Companies Act, the Competition Act, 2002, different state laws and other applicable statutes for our day-to-day operations. Additionally, the GST Council on their 34th meeting on March 19, 2019 deliberated upon and decided new GST rate structure for the real estate sector, which has become effective from April 1, 2019.

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government:-(i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import (“EXIM”) Policy. Under the EXIM Policy, export of defence equipment falls under the restrictive Special Chemicals, Organisms, Materials, Equipment and Technologies list and requires a license.

The FTA prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number (“IEC”) granted by the Director General of Foreign Trade pursuant to section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority.

The Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEM Rules and the FDI Policy. In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or

the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEM Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid up equity capital on a fully diluted basis or shall not exceed five percent of the paid -up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid -up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

The total holding by each FPI or an investor group, shall be less than 10 percent of the total paid -up equity capital on a fully diluted basis or less than 10 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall not exceed 24 per cent of paid -up equity capital on a fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent shall be called the individual and aggregate limit, respectively.

With effect from April 1, 2020, the aggregate limit shall be the sectoral caps applicable to Indian company as laid out in paragraph 3(b) of Schedule I of FEM Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT, all investments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

Overseas Direct Investment ("ODI")

In terms of the Master Direction No. 15/2015-16 on "Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary Abroad" issued by the RBI, dated January 1, 2016, an Indian entity is allowed to make ODI under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% of its net worth. ODI can be made by investing in either joint ventures or wholly owned subsidiaries outside India. Any financial commitment exceeding USD one billion (or its equivalent) in a financial year would require prior approval of the RBI.

Competition Act, 2002 ("Competition Act")

The Competition Act is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act. The prima facie duty of the Competition Commission of India ("Commission") is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The Commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days' in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General (as appointed under Section 16(1) of the Competition Act) he shall be punishable with a fine which may exceed to ₹0.1 million for each day during such failure subject to maximum of ₹10.0 million, as the Commission may determine.

OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiaries/associates whose financial statements are included in the draft letter of offer, either separately or in a consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material';

Pursuant to the SEBI ICDR Regulations and the Materiality Policy adopted by our Board of Directors on November 14, 2019 for the purposes of disclosure, any pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, including outstanding action, and tax matters, would be considered 'material' where:

- a. (i) the claim / dispute amount, to the extent quantifiable, excess than 2% of the consolidated Profit after tax of our Company; (ii) 1% of our consolidated total income of our Company whichever is lower in the most recent as per the last audited consolidated financial statements ("Materiality Threshold") would be considered 'material' for disclosure in this Draft Letter of Offer; and
- b. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless may have a material adverse effect on the position, business, operations, prospects or reputation of the Company have been considered "material";

CONTINGENT LIABILITIES OF OUR COMPANY

As per the Financial Statements for the Financial Year ending March 31, 2022, there are no contingent liabilities.

LITIGATION INVOLVING OUR COMPANY

1) Litigation Involving Actions by Statutory/Regulatory Authorities

Except the following company has not received any Regulatory Charges:

Sr. No.	Competent Authority	Regulatory Charges	Regulatory Action(s)/Date of Order	Further Development
1.	BSE	Delayed submission of Shareholding Pattern for the Quarter ended 31.03.2020	Imposed Fine Rs. 21,240 31, March 2020	Not appearing in the list for the Quarter ended 30.06.2020
2.	BSE	Delayed Submission of statement Of Investor's complaint for the quarter Ended 31-Mar-2020	Imposed Fine Rs. 11,800 31, March 2020	Not appearing in the list for the quarter ended 30-june-2020
3.	BSE	Did Not Appoint compliance Officer for the Quarter Ended 31-Mar-2019	Imposed Fine Rs. 20,060 31, March 2019	Not appearing in the list for the quarter ended 30-june-2019
4.	BSE	Did not Submit Corporate Governance Report for the Quarter Ended 31-Dec-2015	Put up BSE website for Public Notice 31-Dec-2015	Not appearing in the list for the quarter ended 31-March-2016
5.	BSE	Did Not Comply with listing Agreement	Suspended from trading 20-June-2012	Revocation of Suspension in Trading
6.	BSE	Did Not Submit Shareholding Pattern under Provisions of clause 35 for the Quarter ended 30-June-2011	Put up BSE website for Public Notice 30-June-2011	Not appearing in the list for the quarter ended 30-September-2011

2) Litigation involving Tax Liabilities

As on date of this Draft Letter of Offer, there are no Litigation involving Tax Liabilities against our Company;

a) Direct Tax Liabilities

As per website of Income Tax the following e-proceedings are shown as pending with 'open' status. However, the amount has not been mentioned and cannot be crystallised.

Particulars	No. of Notices Received	Amount
Sparc Electrex Limited	5	#Not Ascertained

c) Indirect Taxes Liabilities

As on date of this Draft Letter of Offer, there are no indirect tax liabilities against our Company;

3) Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

As on date of this Draft Letter of Offer, there are no proceedings involving issues of moral turpitude or criminal liability filed against our Company.

4) Proceedings involving Material Violations of Statutory Regulations by our Company

As on date of this Draft Letter of Offer, there are no proceedings involving issues of material violations of statutory regulations our Company.

5) Matters involving economic offences where proceedings have been initiated against our Company

As on date of this Draft Letter of Offer, there are no matters involving economic offences where proceedings have been initiated against our Company;

6) Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

As on date of this Draft Letter of Offer, there are no proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company;

LITIGATION INVOLVING OUR PROMOTERS AND PROMOTER GROUP

I) Litigation Involving Action by Statutory/Regulatory Authority

As on date of this Draft Letter of Offer, there are no subsisting litigations filed against our Promoters and Promoter Group by any Statutory/Regulatory Authority.

II) Litigation involving Tax Liabilities

a) Direct Tax Liabilities-Outstanding Income Tax Demands

Except the following there are no Direct Tax Liabilities on Promoter and Promoter Group

Amount (In Rupees)

Name of the Promoters and Promoter Group	Year	No. of Cases	Amount
Electrex International Private Limited (Promoter)	2013	1	110
	2014	1	5,920
	2016	1	10,050
	2018	1	10,000
	2017	1	49,01,530

Name of the Promoters and Promoter Group	Year	No. of Cases	Amount
Shobha Anant Hegde (Promoter)	2006	1	1,92,657
	2010	1	13,77,272
	2011	1	23,05,928
	2012	1	16,30,040
Total		9	1,04,33,957

- b) As per website of Income Tax the following e-proceedings are shown as pending with 'open' status. However, the amount has not been mentioned and cannot be crystallised.

Name of the Promoter and Promoter Group	No. of Notices Received	Amount
Electrex International Private Limited (Promoter)	9	#Not Ascertained
Electrex Power Tools Private Limited (promoter)	3	#Not Ascertained
Shobha Anant Hegde (Promoter)	11	#Not Ascertained

LITIGATION INVOLVING OUR DIRECTORS

1) Litigation Involving Actions by Statutory/Regulatory Authorities

Except the following company has not received any Regulatory Charges:

Sr No.	Competent Authority	Regulatory Charges	Regulatory Action(s)/Date of Order	Further Development
Suresh Vishwanathan				
1.	MCA	Did not File Financial statements Or Annual returns for any continuous Period of 3 financial Years	Person disqualified from directorship for the period 01-nov-2016 to 31-oct-2021 11-sep-2017	DIN Re-Approved as per MCA Website as on 01/12/2019
Ravikumar Byrapatna Channapa				
1.	MCA	Did not File Financial statements Or Annual returns for any continuous Period of 3 financial Years	Person disqualified from directorship for the period 01-nov-2016 to 31-oct-2021 11-sep-2017	DIN Re-Approved as per MCA Website as on 01/12/2019
Shobith Ganesh Hedge				
1.	MCA	Did not File Financial statements Or Annual returns for any continuous Period of 3 financial Years	Person disqualified from directorship for the period 01-nov-2016 to 31-oct-2021 11-Sept-2017	-
2.	MCA	Did not File Financial statements or Annual Returns for any Continuous Period of 3 financial Years	Person disqualified from directorship for the period 11-jan-2016 to 31-oct-2021 11-Sept-2017	-
3.	MCA	Did not File Financial statements or Annual Returns for any Continuous Period of 3 financial Years	Person disqualified from directorship for the period 01-nov-2016 to 31-oct-2021 11-Sept-2017	-

LITIGATION INVOLVING OUR GROUP COMPANIES

1) Litigation involving our Group Companies

As on date of this Draft Letter of Offer, there are no subsisting litigations filed by or against our group companies;

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoter or any of our Directors are or have been categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

DETAILS OF THE CREDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING MARCH 31, 2022

Except mentioned here below there are no Creditor of the Company as at March 31, 2022:

Particulars	Amount (In Rupees)		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Due to Micro, Small & Medium enterprises	1,58,30,474	-	-
Other	8,82,758	-	12,352
Total	1,67,13,232		12,352

DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET FOR THE FINANCIAL YEAR ENDING MARCH 31, 2022

Except as mentioned in this Draft Letter of Offer, no material circumstances have arisen since the date of last financial statement until the date of filing the Draft Letter of Offer, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months to our knowledge.

#These notices don't carry any amount, which can be disclosed.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authority's/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

- The Board of Directors have, pursuant to Section 62(1)(a) of the Companies Act, 2013, by a resolution passed at its meeting held on Friday, September 23, 2022, authorized the Issue;
- In-principle approval dated [●] and [●] from the BSE, respectively to use their name for listing of the Equity Shares issued by our Company pursuant to the Issue;
- The ISIN of the Company is INE960B01015;

APPROVALS PERTAINING TO INCORPORATION OF OUR COMPANY

Sr. No.	Description	Registrar	Date of Certificate	Date of Expiry
1.	Sparc Systems Private Limited	Registrar of Companies, Maharashtra	September 14, 1989	Valid until Cancelled
2.	Sparc Systems Limited	Registrar of Companies, Maharashtra	January 18, 1994	Valid until Cancelled
3.	Sparc Electrex Limited	Registrar of Companies, Maharashtra	January 13, 2022	Valid until Cancelled

TAX RELATED APPROVALS

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Permanent Account Number	Income Tax Department	AAECS2631Q	NA	Valid until cancelled
2.	GST Registration	Government of India	27AAECS2631Q1ZY	July 01, 2017	Valid until cancelled

BUSINESS RELATED APPROVALS

Approvals/registration valid

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Certificate of Import Export Code (IEC)	Additional Director General of Foreign Trade	0391137735	September 19, 1991	Perpetual
2.	Shop and Establishment Registration Certificate	Office of Chief Facilitator, Maharashtra Shop & Establishment (Regulation of Employment and condition of Service) Act, 2017	890552605	January 14, 2022	NA
3.	MSME Registration Certificate	Ministry of Micro, Small and Medium Enterprise	UDYAM-MH-18-0123329	January 14, 2022	Perpetual

INTELLECTUAL PROPERTY RIGHTS

Sr. No.	Trademarks/ Copyright	Class Trademark Type	Applicant	Registration No.	Date Application	of Registration Status	Company's rights
	N.A						

PENDING FOR RENEWAL LICENSES

There are no license/certificates which are pending for renewal.

TO BE APPLIED LICENSES

Company have not registered its Trademarks from the Trademark authority. Our Company is yet to apply for the trademark registration.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

This Issue of Equity Shares to the Eligible Shareholders is being made in accordance with the:

1. Resolution passed by our Board of Directors under clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act, at their meeting conducted on Friday, September 23, 2022.
2. The Board of Directors of our Company in their meeting conducted on [●] approved this Issue inter-alia on the following terms:

Issue Size	[●] Equity Shares;
Issue Price	₹[●]/- (Rupees [●]) per Right Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Equity Share);
Rights Issue Entitlement Ratio	[●]:[●] i.e., Equity Shares for every [●] Equity Shares held by eligible Equity Shareholders of our Company as on Record Date;
Record Date	[●];

The Board of Directors in their meeting held on [●] have determined the Issue Price as ₹ [●]/- per Equity Share and the Rights Entitlement as [●] Rights Equity Share for every [●] Equity Share held on the Record Date.;

3. This Draft Letter of Offer has been approved at Rights Issue Committee on Thursday, September 29, 2022;
4. Receipt of In-principle approval from BSE Limited in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Right Shares proposed to be allotted pursuant Issue vide a letter bearing reference number [●] from BSE Limited dated [●]. Our Company will also make application to BSE to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular;
5. Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Shareholders of our Company;

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

1. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.
2. The companies with which our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.
3. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Wilful Defaulters by the RBI;
4. None of our Directors are associated with the securities market in any manner;
5. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been declared as fugitive economic offenders or wilful defaulters;
6. None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange;
7. There are no proceedings initiated by SEBI, Stock Exchange or ROC, etc., against our Company, Directors, Group Companies;
8. The Company, its Promoters, members of Promoter Group, are in compliance with Companies (Significant Beneficial Ownership) Rules, 2018;

PROHIBITION BY RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

ELIGIBILITY FOR THE ISSUE

1. Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE Limited. Our Company is eligible to offer and issue Right Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations;
2. Our Company is undertaking this Right Issue in compliance with Part B-1 of Schedule VI of the SEBI (ICDR) Regulations.
3. Our Company undertakes to make an application to BSE Limited for listing of the Right Shares to be issued pursuant to this Issue.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

1. The present Issue being of less than ₹5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e. www.sebi.gov.in;
2. Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations to the extent applicable;
3. Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to BSE for listing of the Right Shares to be issued pursuant to this Issue;

COMPLIANCE PART B-1 OF SCHEDULE VI OF SEBI (ICDR) REGULATIONS

Since, an open offer had been made by Mrs. Shobha Anant Hegde, M/s. Electrex International Private Limited and M/s. Electrex Power Tools Private Limited (hereinafter collectively referred to as 'Acquirers') to the shareholders of Sparc Systems Limited (Sparc) to acquire from them up to 12,71,140 Equity Shares of Rs.10/- each representing 26% of the equity and voting Share Capital of Sparc at Rs. 4.00/- per fully paid-up Equity share and the Acquirers had entered into a Share Purchase Agreement dated May 31, 2021, with the earlier promoters of Sparc for acquisition of 7,23,083 Equity Shares constituting 14.79% of the total equity and voting share capital of the Target Company and Public Announcement on behalf of the Acquirers had been made on May 31, 2021 by M/s. CapitalSquare Advisors Private Limited ('Manager to the Offer') for and on behalf of the Acquirers to the equity shareholders of the Target Company under Regulation 3 (1) and 4 read with Regulation 15(1) of the Securities And Exchange Board Of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, there was change in control and management of the Company, and hence, disclosures in this Draft Letter of Offer have been made in terms of Part B-1 of Schedule VI of SEBI (ICDR) Regulations.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is up to ₹5,000.00 Lakhs.

As required, a copy of the Letter of Offer will be submitted to SEBI.

DISCLAIMER CLAUSES FROM OUR COMPANY

Our Company accept no responsibility for the statements made otherwise than in this Draft Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines

and approvals to acquire Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Right Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date of this Draft Letter of Offer.

DISCLAIMER WITH RESPECT TO JURISDICTION

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Rights Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of this Rights Issue will be BSE.

DISCLAIMER CLAUSE OF BSE

As required, a copy of this Draft Letter of Offer has been submitted to the BSE Limited. BSE Limited has given vide its letter dated [●] to use its name in this Draft Letter of Offer. The Disclaimer Clause as shall be intimated by the BSE Limited to us, post-scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with BSE Limited.

Further, BSE Limited does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
2. Warrant that our Company's Equity Shares will be listed or will continue to be listed on BSE Limited; or
3. Take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company;

And it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the BSE Limited.

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE Limited whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

FILING

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹5,000.00 Lakhs which does not require issuer to file Draft Letter of Offer with SEBI. The Company has filed Draft Letter of Offer with BSE for obtaining in-principle approval.

PREVIOUS PUBLIC OR RIGHTS ISSUES, IF ANY, DURING THE LAST FIVE YEARS

Our Company has not made any public issue or rights issue of any kind or class of securities since incorporation, and hence disclosures with respect to Performance vis-à-vis objects–Public/ rights issue by our Company, is not applicable.

CONSENTS

Consents in writing of all our Directors, Legal Counsel to the Issue, the Registrar to the Issue, in their respective capacities, have been obtained and such consents have not been withdrawn up to the time of delivery of this Draft Letter of Offer.

EXPERT

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received a written consent from our Statutory Auditors, M/s Motilal & Associates LLP (Formerly known as Motilal & Associates), Chartered Accountants, to include their name in this Draft Letter of Offer and as an 'expert', as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated March 17, 2022, included in this Draft Letter of Offer, and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

SELLING RESTRICTIONS

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form, and the issue of Right Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Shareholders and will send/ dispatch the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form only to email addresses of such Eligible Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form, shall not be sent the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, and BSE Limited. Accordingly, our Company, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Right Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Right Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Right Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company or their respective affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Right Shares referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Shares in this Issue must provide an Indian address.

No information in this Draft Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Right Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Right Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company to make any filing or registration (other than in India).

Neither the delivery of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or date of such information.

The contents of this Draft Letter of Offer, the Letter of Offer and Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Right Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor, and tax advisor as to the legal, business, tax, and related matters concerning the offer of Right Shares or Rights Entitlements. In addition, neither our Company nor the Registrar nor any of their respective affiliates are making any representation to any offeree or purchaser of the Right Shares or the Rights Entitlements regarding the legality of an investment in the Right Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Right Shares have not been and will not be registered under the United States Securities Act, 1933, as amended, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof or to, or for the account or benefit of, 'U.S. persons' (as defined in Regulation S under the Securities Act, except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Right Shares referred to in this Draft Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Right Shares and/ or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Draft Letter of Offer, the Letter of Offer, and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Entitlement Letter, and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Right Shares shall be made from US bank accounts and all persons subscribing for the Right Shares and wishing to hold such Right Shares in registered form must provide an address for registration of the Right Shares in India.

We, the Registrar, or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which:

- a. **Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Right Shares in compliance with all applicable laws and regulations;**
- b. **Appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States;**
- c. **Where a registered Indian address is not provided;**
- d. **Where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements;**

And we shall not be bound to allot or issue any Right Shares in respect of any such Application Form.

The Rights Entitlements may not be transferred or sold to any person in the United States.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

1. Mechanism for Redressal of Investor Grievances

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number 'CIR/OIAE/2/2011 dated June 3, 2011'. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee comprising of Niraj Hareshbhai Variava, Ashok Chhaganbhai Patel and Sushmita Swarup Lunkad, members of the said committee, which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue, **Purva Shareregistry (India) Private Limited** for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

2. Investor Grievances arising out of this Issue

Our Company's investor grievances arising out of the Issue will be handled by **Purva Shareregistry (India) Private Limited**, who is the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only post- Issue correspondence.

The agreement between our Company and the Registrar to the Issue will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact details, Email-ID of the first applicant, number and type of Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be seven to ten days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled '**Terms of the Issue**' on page 126 of this Draft Letter of Offer.

The contact details of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:

Company Secretary and Compliance Officer	Registrar to the Issue
Contact Person: Tejashri D Kulkarni B – 103, Dipti Sapphire, Natwar Nagar Road No.2, Behind Surajba Vidya Mandir, Jogeshwari E, Mumbai – 400 060, Maharashtra, India Tel: 9819001811 Email-ID: sparcelectrex@gmail.com Website: www.sparcelectrex.com	Purva Sharegistry (India) Private Limited Unit No. 9, Ground Floor, Shiv Shakti Ind. Estt, J. R. Boricha Marg, Lower Parel East, Mumbai – 400 011, Maharashtra, India Contact Details: +91-22-2301 2518 / 8261 E-mail ID: support@purvashare.com Website: www.purvashare.com Contact Person: Ms. Deepali Dhuri SEBI Registration Number: INR000001112

SECTION IX – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained the Issue Materials, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.

Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see 'Application By Eligible Equity Shareholders Holding Equity Shares In Physical Form' on page 141 of this Draft Letter of Offer.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

IMPORTANT

1. Dispatch and availability of Issue materials

In accordance with the SEBI (ICDR) Regulations, ASBA Circular, our Company will send/dispatch at least 3 (Three) days before the Issue Opening Date, the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other applicable Issue Materials only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them. Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) on the websites of:

Access of Documents on the website of	URL of websites
Company	www.sparcelectrex.com/
Registrar to the Issue	www.purvashare.com
BSE Limited	www.bseindia.com

Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at www.purvashare.com by entering their DP-ID, Client-ID, or Folio Number (for Eligible Equity Shareholders holding Equity

Shares in physical form as on the Record Date) and PAN. The link for the same shall also be available on the website of our Company at www.sparcelectrex.com.

Further, our Company will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible. Please note that, our Company and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, and the issue of Rights Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form (including by way of electronic means) will not constitute an offer, invitation to, or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Rights Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Shares offered in the Issue will be deemed to have declared, represented, and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

2. Process of making an Application in this Issue

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the Paragraph titled 'Procedure for Application through the ASBA Process' on page 140 of this Draft Letter of Offer.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, please see the section entitled 'Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders' on page 131 of this Draft Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Entitlements by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see the paragraph titled 'Grounds for Technical Rejection' on page 145 of this Draft Letter of Offer. Our Company, the Registrar to the Issue, and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI (ICDR) Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please see the section entitled 'Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process' on page 140 of Draft Letter of Offer.

3. Credit of Rights Entitlements in demat accounts of Eligible Shareholders

In accordance with Regulation 77A of the SEBI (ICDR) Regulations, read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- (i) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and
- (ii) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise RightsEntitlements relating to:
 - (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - (b) Equity Shares held in the account of IEPF authority; or
 - (c) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
 - (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demataccounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or

- (e) Credit of the Rights Entitlements returned/reversed/failed; or
- (f) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable
- (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e. www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.sparcelectrex.com;))

OTHER IMPORTANT LINKS AND HELPLINE

The Investors can visit following links for the below-mentioned purposes:

Purpose	Link / Email- ID
Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors	www.purvashare.com
Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders	
Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company	support@purvashare.com
Updating of demat account details by Eligible Shareholders holding shares in physical form	

RENOUNCEES

All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

BASIS FOR THIS ISSUE

The Rights Shares are being offered for subscription for cash to the Eligible Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date i.e., [●].

RIGHTS ENTITLEMENTS

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, i.e. [●], you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Common Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.sparcelectrex.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

PRINCIPAL TERMS OF THIS ISSUE

Face Value	Each Rights Equity Share will have the face value of ₹10.00/- (Rupees Ten Only).
Issue Price	₹[●]/- (Rupees [●]) per Rights Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Share). On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Share, the Issue Price.
Rights Entitlements Ratio	The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●]([●]) Rights Equity Shares for every [●] ([●]) Equity Shares held by the Eligible Equity Shareholders as on the Record Date i.e., [●].
Renunciation of Rights Entitlements	<p>This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.</p> <p>The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and <i>vice versa</i> shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.</p> <p>The renunciation of Rights Entitlements credited in your demat account can be made either by way of On Market or through off-market transfer. For details, see 'Procedure for Renunciation of Rights Entitlements' on page 138 of this Draft Letter of Offer.</p> <p>In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.</p>

**Credit of
Rights
Entitlements in
dematerialised
account**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date, i.e. [●]; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the credit of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date and shall be active for renunciation or transfer only during the Renunciation Period, i.e., from [●] to [●] (both days inclusive). It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders, whose Rights Entitlement are credited in demat suspense escrow account opened by our Company are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE I.E., [●] AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE 'PROCEDURE FOR APPLICATION' ON PAGE 135 OF THIS DRAFT LETTER OF OFFER.

Trading of the Rights Entitlements	<p>In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under Rights Entitlement ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.</p> <p>The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is One Rights Entitlement.</p> <p>The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see 'Procedure for Renunciation of Rights Entitlements – On Market Renunciation' and 'Procedure for Renunciation of Rights Entitlements – Off Market Renunciation' on page 138 and page no 139 respectively of this Draft Letter of Offer. Once the Rights Entitlements are credited to the demat account of the Renouncees, application in the Issue could be made until the Issue Closing Date. For details, see 'Procedure for Application' on page 135 of this Draft Letter of Offer.</p> <p>Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.</p>
Terms of Payment	<p>₹[●]/- (Rupees [●]) per Rights Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Share). On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Share, the Issue Price. Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI (ICDR) Regulations. If there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.</p>
Fractional Entitlements	<p>The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Equity Shares for every [●] ([●]) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] ([●]) Equity Shares or is not in the multiple of [●] ([●]) Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preferential consideration for the Allotment of one (1) additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.</p> <p>For example, if an Eligible Equity Shareholder holds [●] ([●]) Equity Shares, such Equity Shareholder will be entitled to [●] ([●]) Rights Equity Share and will also be given a preferential consideration for the Allotment of one (1) additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.</p> <p>Further, the Eligible Equity Shareholders holding less than [●] ([●]) Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to</p>

Credit Rating	availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.
	As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.
Ranking	<p>The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and allotted under this Issue shall, upon being fully paid up, rank <i>pari passu</i> with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid up equity capital of our Company.</p> <p>Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE Limited vide its letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.</p> <p>For an applicable period, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.</p> <p>The existing Equity Shares are listed and traded on BSE (Scrip Code: 531370) and Stock Exchanges (Symbol: SPAR) under the ISIN: INE960B01015. The Rights Equity Shares shall be credited to a temporary RE ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary RE ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary RE ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.</p> <p>The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.</p> <p>In case our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/ blocked within four (4) days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four (4) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.</p> <p>For details of trading and listing of partly paid-up Rights Equity Shares, please refer to the heading 'Terms of Payment' at page 132 of this Draft Letter of Offer.</p>
Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue	

Subscription to this Issue by our Promoters and our Promoter Group	For details of the intent and extent of subscription by our Promoter and the Promoter Group, please refer to the chapter titled ' <i>Capital Structure – Intention and extent of participation by our Promoters/Principal Shareholders</i> ' onpage 40 of this Draft Letter of Offer.
Rights of Holders of Rights Equity Shares of our Company	<p>Subject to applicable laws, Rights Equity Shareholders shall have the following rights:</p> <ul style="list-style-type: none"> a) The right to receive dividend, if declared; b) The right to vote in person, or by proxy; c) The right to receive surplus on liquidation; d) The right to free transferability of Rights Equity Shares; e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association. <p>Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue</p>

GENERAL TERMS OF THE ISSUE

Market Lot	The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one (1) Equity Share.
Joint Holders	Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.
Nomination	<p>Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.</p> <p>Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.</p>
Arrangements for Disposal of Odd Lots	The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be 1(one) Rights Equity Share and hence, no arrangements for disposal of odd lots are required.
Restrictions on transfer and transmission of shares and on their consolidation/splitting	There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019 and as amended vide SEBI Notification bearing No. SEBI/LAD-NRO/GN/2022/66 on January 24, 2022, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository. Provided further that transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form

	<p>In accordance with the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, our Company will send /dispatch the Letter of Offer, the Rights Entitlement Letter, Common Application Form and other issue materials (“Issue Materials”) only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.</p>
<p>Notices</p>	<p>Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.</p> <p>All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English language national daily newspaper with wide circulation; (ii) one Hindi language national daily newspaper with wide circulation; and (iii) one Telugu language daily newspaper with wide circulation (Telugu being the regional language of Telangana, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.</p>
<p>Offer to Non-Resident Eligible Equity Shareholders/ Investors</p>	<p>As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on support@purvashare.com or physically/postal means at the address of the Registrar mentioned on the cover page of the Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.</p> <p>The Abridged Letter of Offer, the Rights Entitlement Letter and Common Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their patriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.</p> <p>In case of change of status of holders, <i>i.e.</i>, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.</p>

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Shareholders holding Equity Shares in physical form as on the Record Date, see 'Procedure for Application by Eligible Shareholders holding Equity Shares in physical form' on page **Error! Bookmark not defined.** of this Draft Letter of Offer.

The Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Common Application Form

The Common Application Form for the Rights Equity Shares offered as part of this Issue would be sent/ dispatched (i) only to email address of the resident Eligible Equity Shareholders who have provided their email address; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, who have not provided a valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent/ dispatched at least three days before the Issue Opening Date. The Renouncees and Eligible Equity Shareholders who have not received the Common Application Form can download the same from the website of the Registrar, our Company or Stock Exchanges.

In case of non-resident Eligible Equity Shareholders, the Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Common Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit [●]. Investors can access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

Access of Documents on the website of	URL of websites
Company	www.sparcelectrex.com
Registrar to the Issue	www.purvashare.com
BSE Limited	www.bseindia.com

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.purvashare.com/rights-issue/input-form.php by entering their DP-ID and Client-ID or Folio Number (Physical Shareholders) and PAN. The link for the same shall also be available on the website of our Company at www.sparcelectrex.com.

The Common Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue, based on the Rights Entitlement credited in their respective demat accounts. Please note that one single Common Application Form shall be used by the Investors to make Applications for all Rights Entitlements

available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Common Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Common Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Common Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see ‘Grounds for Technical Rejection’ on page 145 of this Draft Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making a plain paper Application. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see ‘*Application on Plain Paper under ASBA process*’ on page 140 of this Draft Letter of Offer.

OPTIONS AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

The Rights Entitlement Letter will clearly indicate the number of Rights Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Rights Shares to the full extent of its Rights Entitlements; or
2. Apply for its Rights Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for Rights Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Rights Shares to the full extent of its Rights Entitlements and apply for additional Rights Shares; or
5. Renounce its Rights Entitlements in full.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number ‘CIR/CFD/DIL/13/2012’ dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

The Company, its directors, employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Rights Shares:

1. Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

Please note that on the Issue Closing Date:

1. Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section ‘*Application on Plain Paper under ASBA processes*’ on page 140 of this Draft Letter of Offer.

ADDITIONAL RIGHTS SHARES

Investors are eligible to apply for additional Rights Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Shares under applicable law and they have applied for all the Rights Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Rights Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section ‘*Basis of Allotment*’ on page 149 of this Draft Letter of Offer.

Eligible Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/ her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Shareholders shall be admitted for trading on the Stock Exchanges under the RE ISIN [●] allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (One) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the RE ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of the Stock Exchanges under automatic order matching mechanism and on 'T+2 rolling settlement bases', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchanges and SEBI.

(i) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the RE ISIN [●] allotted for the Rights Entitlement subject to requisite approvals, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India. Please note that the Eligible Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED

The application on plain paper, duly signed by the Eligible Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (i) Name of our Company, being '**SPARC ELECTREX LIMITED**';
- (ii) Name and address of the Eligible Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- (iii) Registered Folio Number/DP-ID and Client ID Number;
- (iv) Number of Equity Shares held as on Record Date;
- (v) Allotment option – only dematerialized form;
- (vi) Number of Rights Shares entitled to;
- (vii) Total number of Rights Shares applied for within the Rights Entitlements;
- (viii) Number of additional Rights Shares applied for, if any;
- (ix) Total Application Money at the rate of ₹[●]/- for Rights Shares;
- (x) Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- (xi) In case of non-resident Eligible Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.
- (xii) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Shares applied for pursuant to this Issue;
- (xiii) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (xiv) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- (xv) In addition, all such Eligible Shareholders are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ("**Regulation***

S'') to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and

under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Draft Letter of Offer.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

In cases where multiple Common Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Common Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.purvashare.com.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

APPLICATION BY ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.purvashare.com.

PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, i.e. [●] and who have opened their demataccounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The Eligible Equity Shareholders can access the Common Application Form from:

Access of Documents on the website of	URL of websites
Company	www.sparcelectrex.com .
Registrar to the Issue	www.purvashare.com
BSE Limited	www.bseindia.com

- (d) Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.sparcelectrex.com);
- (e) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE, i.e. [●] AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

GENERAL INSTRUCTIONS FOR INVESTORS

- (a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Common Application Form sent to you.
- (c) The Common Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
- (d) Application should be made only through the ASBA facility.
- (e) Application should be complete in all respects. The Common Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form are liable to be rejected. The Common Application Form must be filled in English.
- (f) In case of non-receipt of Common Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section 'Application on Plain Paper under ASBA process' on page 140 of this Draft Letter of Offer.

- (g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- (h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (i) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (j) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- (k) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Common Application Form.
- (l) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Common Application Form.**
- (m) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (n) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (o) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Common Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (p) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Common Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (q) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (r) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

- (s) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (t) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

- (a) Ensure that the Common Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ('Demographic Details') are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- (e) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (f) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (g) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (h) Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (i) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (j) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.
- (k) Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.
- (f) Do not submit the Common Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

- (g) Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (h) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Common Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one Common Application Form for Rights Entitlements available in a particular demat account.
- (g) Multiple Common Application Forms, including cases where an Investor submits Common Application Forms along with a plain paper Application.
- (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Common Application Forms which are not submitted by the Investors within the time periods prescribed in the Common Application Form and the Letter of Offer.
- (l) Physical Common Application Forms not duly signed by the sole or joint Investors.
- (m) Common Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (o) Applications which: (i) does not include the certifications set out in the Common Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Common Application Form is incomplete or acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares in respect of any such Common Application Form.
- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND

TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE COMMON APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE COMMON APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE COMMON APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE COMMON APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Common Application Form or the plain paper

Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Common Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Common Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Common Application Forms are liable to be rejected.

MODE OF PAYMENT

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

1. Mode of payment for Resident Investors

- a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.

Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter. All payments on the Common Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

2. Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

- (i) Individual non-resident Indian Applicants who are permitted to subscribe to Rights Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, the BSE Limited, and our Company;

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

- (ii) Common Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- (iii) Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes

- (i) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;
- (ii) In case Rights Shares Are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Shares cannot be remitted outside India;
- (iii) In case of an Common Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;
- (iv) Common Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;
- (v) In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;
- (vi) Non-resident Renouncees, who are not Eligible Shareholders, must submit regulatory approval for applying for additional Rights Shares;

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see '**Procedure for Applications by Mutual Funds**' on page 153 of this Draft Letter of Offer.

In cases where multiple Common Application Forms are submitted, including cases where an Investor submits Common Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in '**Capital Structure – Intention and extent of participation by our Promoters / Principal Shareholders**' on page 40 of this Draft Letter of Offer.

Last date for Application

The last date for submission of the duly filled in the Common Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Common Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the paragraph titled 'Basis of Allotment' on page 149 of this Draft Letter of Offer.

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Common Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION*	[●]
ISSUE CLOSING DATE[#]	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

[#]Our Board or Rights Issue Committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date, i.e. [●].

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, i.e. [●], have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e [●].

For details, please see the section titled '**General Information**' on page 37 of this Draft Letter of Offer.

BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Shares in the following order of priority:

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlements of Rights Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Shares renounced in their favour, in full or in part.
2. Eligible Shareholders whose fractional entitlements are being ignored and Eligible Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Shares after allotment under (a) above. If number of Rights Shares required for Allotment under this head are more than the number of Rights Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
3. Allotment to the Eligible Shareholders who having applied for all the Rights Shares offered to them as part of this Issue, have also applied for additional Rights Shares. The Allotment of such additional Rights Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Shares after making full Allotment in (1) and (2) above. The Allotment of such Rights Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
4. Allotment to Renouncees who having applied for all the Rights Shares renounced in their favour, have applied for additional Rights Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of

such Rights Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

5. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e- mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e- mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at 15% p.a. or such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

1. Unblocking amounts blocked using ASBA facility.
2. National Automated Clearing House (hereinafter referred to as '**NACH**') – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having

an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. National Electronic Fund Transfer (hereinafter referred to as ‘NEFT’) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (hereinafter referred to as ‘IFSC Code’), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
5. RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
6. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Common Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (in case of credit of the Rights Equity Shares returned/ reversed/ failed) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT

PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS EQUITY SHARES RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated [•] with NSDL and an agreement dated [•] with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Common Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Common Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Common Application Form, the Investor will not get any Rights Equity Shares and the Common Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Common Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which maybe specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be

required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the off shore derivative instruments are to be transferred are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited consolidated financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 1 millions or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 millions or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

Payment by stock invest

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Common Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Common Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board or our Rights Issue Committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Common Application Form carefully.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) shall be disclosed under an appropriate separate head in the balancesheet of our Company indicating the purpose for which such monies had been utilized; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separatehead in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken within the time limit specified by SEBI.
- 3) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 (Fifteen) days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) Adequate arrangements shall be made to collect all ASBA Applications.
- 7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

MINIMUM SUBSCRIPTION

The Promoters of our Company through its letters dated Saturday, September 24, 2022, have confirmed that they intend to subscribe in part or to the full extent of their Rights Entitlement and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

The objects of the Issue involve Construction and Development of Warehouse and general corporate purposes. Further, our Promoters have undertaken that they will subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI (LODR) Regulations.

IMPORTANT

1. Please read the Issue Materials carefully before taking any action. The instructions contained in the Issue Materials are an integral part of the conditions and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed '**SPARC ELECTREX LIMITED – RIGHT ISSUE**' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED

Address: Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai, Maharashtra 400011;

Contact Number: +91-22-2301-2518/ 6761

E-mail ID: support@purvashare.com

Investor grievance e-mail: support@purvashare.com

Website: www.purvashare.com

Contact Person: Ms. Deepali Dhuri

SEBI Registration Number: INR000001112

1. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.purvashare.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 022 - 40430200 / 62638200.

2. This Issue will remain open for a minimum 7 (Seven) days. However, our Board or our Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the 'automatic route', where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the 'government route', where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise way such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ('FDI') and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ('DPIIT'), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ('**FDI Circular 2020**'), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI (SAST) Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in the Issue.

The Registrar to the Issue and our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies ('OCBs') have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Registrar are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION X – OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered more than two years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and the documents for inspection referred to hereunder, would be available on the website of the Company at www.sparcelectrex.com from the date of this Draft Letter of Offer until the Rights Issue Closing Date.

Material Contracts for the Rights Issue

1. Registrar Agreement dated September 27, 2022, between our Company and the Registrar to the Issue;
2. Bankers to the Issue Agreement dated [●] among our Company, the Registrar to the Issue and the Bankers to the Issue;

Material Documents in relation to the Rights Issue

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company;
2. Certificate of incorporation and fresh certificate of incorporation pursuant to change of name of our Company;
3. Copies of audited financial results for the Financial Year ended March 31, 2022, and the annual report of our Company for the last 3 (Three) Financial Years ending March 31, 2022, March 31, 2021, March 31, 2020;
4. Resolution of our Board of Directors dated October 19, 2021 approving the Issue;
5. Resolution of our Board of Directors dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
6. Rights Issue Committee Resolution dated Thursday, September 29, 2022, approving this Draft Letter of Offer;
7. Resolution of our Board of Directors dated [●], approving the Letter of Offer;
8. Consents of our Directors, Company Secretary, Chief Financial Officer, Bankers to our Company, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
9. Report on Statement of Special Tax Benefits dated March 17, 2022, for our Company from the Statutory Auditors of our Company;
10. In-principle approval issued by BSE Limited dated [●];

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements are true and correct.

Signed by all the Directors of our Company

SHOBITH
GANESH HEGDE
Shobith Ganesh Hegde
Whole Time Director & CFO

Digitally signed by SHOBITH GANESH HEGDE
DN: cn=Shobith Ganesh Hegde, o=SPARC ELECTREX LIMITED,
ou=Directors, email=shobith.hegde@sparc-electrex.com,
c=IN, serial=1, version=3, reason=I am the signer of this document.
7026AFC8961F8420812809F8DA4041A2282,
c=SHOBITH GANESH HEGDE
Date: 2022.09.29 21:52:35 +05'30'

Ravikumar Byrapatna Channappa
Executive Director

Suresh Vishwanathan
Executive Director

Niraj H. Variava
Independent Director

Ashok Chhaganbhai Patel
Independent Director

Sushmita Swarup Lunkad
Independent Woman Director

Date: Thursday, September 29, 2022
Place: Mumbai