

V.K. Beswal & Associates

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To,

The Directors of,

SHARDA CROPChem ESPANA S.L

Report on the Ind AS Financial Statements

Opinion

We have audited accompanying the Ind AS financial statements of **SHARDA CROPChem ESPANA S.L ("the Company")**, which comprise of the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial Statements").

In our opinion, the accompanying Ind AS financial statements give a true and fair view of the financial position of the entity as at 31st March 2026 and of its financial performance for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements in India, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Statements

The Management are responsible for the preparation and fair presentation of the Ind AS financial statements in accordance with the aforesaid Accounting Standards, and for such internal control as Company determines are necessary to enable the preparation of Ind AS financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. The

Management of the company is responsible for overseeing the entity's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

These financial statements are prepared for the purpose of consolidation by **Sharda Cropchem Limited** and may not be suitable for other purposes. Our opinion is not modified regarding this matter.

For **V.K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
ICAI Firm Regn No-101083W

CA Kunal Vinod Beswal
[PARTNER]
M.NO. 131054
PLACE: MUMBAI

DATED: 24.04.2026
UDIN: 26131054CVUBFT1408

SHARDA CROPChem ESPANA S.L.

(Amount in INR)

Particulars	Note No	As at March 31, 2026	As at March 31, 2025
<u>ASSETS</u>			
<u>Non -Current Assets</u>			
Property, plant and equipment	3	1,169,933	1,111,016
		-	-
Intangible Assets	3	9,607,660	7,754,509
<u>Financial Assets</u>			
Other Non Current Financial Assets	4	912,993	771,521
		11,690,586	9,637,046
<u>Current assets</u>			
Inventories	5	560,988,992	-
<u>Financial assets</u>			
Trade Receivables	6	2,149,051,926	1,532,650,811
Cash & cash equivalents	7	30,313,193	74,752,849
Short Term Loans & Advances	8	-	838,039
Other Current Assets	9	943,903	1,886,906
Total current assets		2,741,298,014	1,610,128,605
Total assets		2,752,988,600	1,619,765,651
<u>EQUITY AND LIABILITIES</u>			
<u>Equity</u>			
Equity share capital	10	259,048	259,048
Other equity	11	242,251,302	191,310,856
Total equity		242,510,350	191,569,904
<u>Current liabilities</u>			
<u>Financial liabilities</u>			
Trade Payables	12	2,391,192,672	1,354,132,927
Other financial liabilities	13	2,833,231	1,470,608
Income tax liabilities		42,893,500	35,652,001
Other current liabilities	14	73,558,847	36,940,211
Total current liabilities		2,510,478,250	1,428,195,747
Total equity and liabilities		2,752,988,600	1,619,765,651

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For V.K.BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 101083W

For and on behalf of the Board of Directors of
SHARDA CROPChem ESPANA S.L.

KUNAL V. BESWAL
Partner
Membership Number - 131054
Place : Mumbai
Date: 24.04.2026

R. V. Bubna
Sole Administrator
Date: 24.04.2026

SHARDA CROPCHEM ESPANA S.L.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

(Amount in INR)

Particulars	Note No	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from Operations	15	4,869,983,747	3,246,391,865
Other Income	16	2,477,550	333,356
Total income		4,872,461,297	3,246,725,221
<u>Expenses</u>			
Purchase of traded goods	17	5,097,397,891	3,004,365,562
(Increase)/ decrease in inventories	18	(526,825,118)	-
Employee benefit expenses	19	18,939,314	14,059,558
Depreciation and Amortisation expense	3	1,025,092	111,044
Finance costs	20	13,866,634	11,488,821
Foreign exchange (gain)/loss (net)		5,809,441	(5,877,009)
Other expenses	21	181,059,864	125,663,075
Total expenses		4,791,273,117	3,149,811,051
Profit before tax		81,188,180	96,914,170
Tax expenses			
Current tax		20,297,045	24,228,542
Tax adjustment pertaining to previous year		-	-
Total Tax expense		20,297,045	24,228,542
Profit for the year		60,891,135	72,685,628
Other Comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		37,513,376	3,745,049
Other comprehensive income for the year, net of tax		37,513,376	3,745,049
Total comprehensive income for the year		98,404,511	76,430,677
Earning per equity share			
Equity share of par value of EURO 50 each			
Basic & Diluted	22	998,215	1,191,568

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For V.K.BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 101083W

KUNAL V. BESWAL
Partner
Membership Number - 131054
Place : Mumbai
Date: 24.04.2026

For and on behalf of the Board of Directors of
SHARDA CROPCHEM ESPANA S.L.

R. V. Bubna
Sole Administrator
Date: 24.04.2026

SHARDA CROPChem ESPANA S.L.

(Amount in INR)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<u>Cash flow from operating activities</u>		
Profit before tax for the year	81,188,180	96,914,170
Profit before tax	81,188,180	96,914,170
<u>Adjustments to reconcile profit before tax to net cash flows</u>		
Depreciation/ amortization on continuing operation	1,025,092	111,044
Operating profit before working capital changes	82,213,272	97,025,214
Movements in working capital :		
Decrease / (increase) in other non current assets	(141,472)	(179,561)
Increase/ (decrease) in trade payables	1,037,059,745	265,102,054
Increase/ (decrease) in other current liabilities	36,618,636	20,274,728
Increase/ (decrease) in other current financial liabilities	1,362,623	328,669
Decrease / (increase) in trade receivables	(616,401,115)	(320,318,831)
Decrease / (increase) in other current assets	943,003	(1,561,039)
Cash generated from /(used in) operations	(19,334,300)	60,671,234
Income taxes paid (net of refunds)	(13,055,546)	603,975
Net cash flow from/ (used in) operating activities (A)	(32,389,846)	61,275,209
<u>Cash flows from investing activities</u>		
Purchase of fixed assets, including CWIP and capital advances	(2,937,160)	(6,316,795)
Short term loan (given)/ taken	838,039	(838,039)
Net cash flow from/ (used in) investing activities (B)	(2,099,121)	(7,154,834)
<u>Cash flows from financing activities</u>		
Dividend distribution	(47,464,065)	-
Net cash flow from/ (used in) in financing activities (C)	(47,464,065)	-
Exchange difference on translation of assets and liabilities (D)	37,513,376	3,745,049
Net increase/(decrease) in cash and cash equivalents (A + B + C +D)	(44,439,656)	57,865,424
Cash and cash equivalents at the beginning of the year	74,752,849	16,887,425
Cash and cash equivalents at the end of the year	30,313,193	74,752,849
<u>Components of cash and cash equivalents</u>		
Cash on hand	141,601	120,259
With banks- on current account	30,171,592	74,632,590

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **V.K.BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration No. 101083W

For and on behalf of the Board of Directors of
SHARDA CROPChem ESPANA S.L.

KUNAL V. BESWAL
Partner
Membership Number - 131054
Place : Mumbai
Date: 24.04.2026

R. V. Bubna
Sole Administrator
Date: 24.04.2026

SHARDA CROPCHEM ESPANA S.L.

FOR THE YEAR ENDED 31 MARCH 2025

(Amount in INR)

Particulars	Equity Share Capital	Reserves & Surplus	Items of other comprehensive income	Total equity
		Retained earnings	Foreign Currency translation reserve	
As on 01 April 2025	259,048	103,850,389	11,029,790	115,139,227
Net Profit for the period		72,685,628	-	72,685,628
Less : Dividend Distribution		-		-
Other comprehensive income		-	3,745,049	3,745,049
Total Comprehensive Income		72,685,628	3,745,049	76,430,677
As on 31 March 2025	259,048	176,536,017	14,774,839	191,569,904

FOR THE YEAR ENDED 31 MARCH 2026

(Amount in INR)

Particulars	Equity Share Capital	Reserves & Surplus	Items of other comprehensive income	Total equity
		Retained earnings	Foreign Currency translation reserve	
As on 01 April 2025	259,048	176,536,017	14,774,839	191,569,904
Net Profit for the period		60,891,135	-	60,891,135
Less : Dividend Distribution		(47,464,065)	-	(47,464,065)
Other comprehensive income		-	37,513,376	37,513,376
Total Comprehensive Income		13,427,070	37,513,376	50,940,446
As on 31 March 2026	259,048	189,963,087	52,288,215	242,510,350

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For V.K.BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 101083W

For and on behalf of the Board of Directors of
SHARDA CROPCHEM ESPANA S.L.

KUNAL V. BESWAL
Partner
Membership Number - 131054
Place : Mumbai
Date: 24.04.2026

R. V. Bubna
Sole Administrator
Date: 24.04.2026

SHARDA CROPChem ESPANA SL

Notes to financial statements for the year ended March 31, 2026

1 Corporate information

Sharda Cropchem Espana, SL (the company) was incorporated on 04.03.2014 in Spain. It started its commercial operations from 09.01.2014, on which date its Tax Identification Number B73824930 was issued. The holding company is Sharda Cropchem Limited ("SCL") since incorporation.

2 Significant Accounting Policies:

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act"), amendments thereto and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

2.2 Basis of preparation and Presentation of Financial Statement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Derivative financial instruments measured at fair value.
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Fair value is the price 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, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.3 Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the parent company and the currency of the primary economic environment in which the parent company operates. All the figures have been rounded off to the nearest INR in lakhs, unless otherwise indicated.

2.4 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

Current assets include the current portion of non-current financial assets

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current / non - current classification of assets and liabilities.

2.5 Trade Receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect Company's unconditional right to consideration (that is payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

2.6 Foreign currency translation

Transactions and balances

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

2.7 Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Fair value changes are recognized in the statement of profit and loss and are included in Foreign exchange (gain) / loss.

2.8 Revenue Recognition

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. To recognise revenues, the Company applies the following five step approach:

- identify the contract with a customer,
- identify the performance obligations in the contract,
- determine the transaction price,
- allocate the transaction price to the performance obligations in the contract, and
- recognise revenues when a performance obligation is satisfied.

Sale of goods

The Company recognised revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control is transferred to the customer which is usually on shipment / dispatch / delivery. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated thereafter at each reporting date or until crystallisation of the amount.

Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discount, cash discount, volume discounts, rebates, scheme allowances, incentives and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Interest income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividends

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Insurance claims

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

Export Incentives

An export incentive (i.e. Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Export Import Policy) is recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of export made, and there is no uncertainty to its receipt.

2.9 Taxation

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the applicable tax laws of the respective country. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to

Deferred tax

Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognized only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.10 Property, Plant and Equipment ("PPE") and Depreciation

Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if 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. On adoption of Ind AS, the Company retained the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes taxes, duties, freight, interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets and other incidental expenses which are required to bring the asset in the condition for its intended use. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in the financial statements.

Asset class	Estimated useful life
Computers	3 years
Furniture and Fixtures	10 years
Office equipment	5 years
Motor cars	8 years
Leasehold improvements	6 years
Electrical installations	6 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.11 Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortised over the useful economic life. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets.

Asset class	Estimated useful life
Computer software	10 Years
Product Registration and Licences	10 Years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses.

Research and Development costs, Product Registration and Licences

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- It is probable that future economic benefits will flow to the Company and the Company has control over the asset

Cost of Product Registration generally comprise of costs incurred towards creating product dossiers, fees paid to registration consultants, application fees to the ministries, data compensation costs, data call-in costs and fees for task-force membership.

In situations where consideration for data compensation is under negotiation and is pending finalisation of contractual agreements, cost is determined on a best estimate basis by the management, and revised to actual amounts on conclusion of agreements.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

2.12 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal, and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Intangible assets are tested for impairment annually as at the balance sheet date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.13 Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term. Such operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

2.14 Inventories

Inventories include raw materials, traded goods and finished goods. Inventory is valued at lower of cost or net realizable value. The comparison of cost and net realisable value is made on an item to item basis.

Cost comprises the purchase price, costs of conversion and other related costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis as per individual location which is done on specific identification of batches. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sales.

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Obsolete and slow-moving items are valued at cost or estimated net realisable value, whichever is lower. Any write-down of inventories is recognised as an expense during the year

2.15 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provision in respect of loss contingencies relating to claims litigation, assessment, fines, penalties etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

2.16 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation, A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.17 Employee benefit expenses

Employee benefits consist of contribution to provident fund, gratuity fund and compensated absences.

Post-employment benefit plans

Defined Contribution plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of provident fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans

The Company operates defined benefit plans - gratuity fund.

The liability recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Short-term employee benefit

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits which is determined at each balance sheet date based on arithmetical calculation.

2.18 Financial instruments

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

Financial assets

Initial recognition and initial measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus transaction cost, in the case of a financial asset not at fair value through profit or loss.

Classification and subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principle & interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

Investments in subsidiaries and associates are carried at cost. All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- ☐ The rights to receive cash flows from the asset have expired, or
- ☐ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a)☐ the Company has transferred substantially all the risks and rewards of the asset, or
 - (b)☐ the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company 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. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. the allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, 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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

2.19 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank Overdrafts as they are considered an integral part of the Company's cash management.

2.20 Dividend to Equity shareholders

2.21 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the company's earnings per share are the net profit for the year attributable to equity shareholders.

For the purpose of calculating diluted earnings per share, the net profit after tax for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

2.22 Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the

2A. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Contingences and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, these are considered as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, these are not expected to have a materially adverse impact on our financial position or profitability.

(ii) Key sources of estimation uncertainty

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, are described below.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of several factors including future taxable income.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade and other receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade and other receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment of non- financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Impairment of investments in subsidiaries

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return. Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

SHARDA CROPHCEM ESPANA S.L.			
Notes to financial statements for the year ended 31st March 2026			
			(Amount in INR)
	Office Equipement	Furniture & Fixtures	Total
Cost			
As at April 01,2023	1,608,482	2,286,732	3,895,214
Additions	-	-	-
Total	1,608,482	2,286,732	3,895,214
Translation Difference	17,245	24,517	41,762
As at March 31,2024	1,625,727	2,311,249	3,936,976
Additions	-	1,223,669	1,223,669
Total	1,625,727	3,534,918	5,160,645
Translation Difference	38,010	54,038	92,049
As at March 31,2025	1,663,738	3,588,956	5,252,693
Additions	-	-	-
Total	1,663,738	3,588,956	5,252,693
Translation Difference	-	-	-
Translation Difference	305,075	658,098	963,173
As at March 31,2026	1,968,813	4,247,054	6,215,866
Accumulated Depreciation			
As at April 01, 2023	1,499,713	2,286,732	3,786,445
Depreciation for the year	109,709	-	109,709
Total	1,609,422	2,286,732	3,896,154
Translation Difference	16,305	24,517	40,822
As at March 31,2024	1,625,727	2,311,249	3,936,975
Depreciation for the year	-	111,044	111,044
Total	1,625,727	2,422,293	4,048,019
Translation Difference	38,010	55,647	93,657
As at March 31,2025	1,663,737	2,477,940	4,141,676
Depreciation for the year	-	135,987	135,987
Total	1,663,737	2,613,927	4,277,663
Translation Difference	305,075	463,192	768,267
As at March 31,2026	1,968,813	3,077,119	5,045,932
Net Carrying Value			
As at 31 March 2025	0	1,111,016	1,111,016
As at 31 March 2026	-	1,169,935	1,169,933

3 Intangible Asset Under Development		
		(Amount in INR)
	Software	Total
Cost		
As at April 01,2023	2,654,313	2,654,313
Additions	-	-
Total	2,654,313	2,654,313
Translation Difference	5,461	5,461
As at March 31,2024	2,659,774	2,659,774
Additions	5,032,548	5,032,548
Translation Difference	-	-
Translation Difference	62,187	62,187
As at March 31,2025	7,754,509	7,754,509
Additions	1,369,750	1,369,750
Total	9,124,259	9,124,259
Translation Difference	-	-
Translation Difference	1,430,163	1,430,163
As at March 31,2026	10,554,422	10,554,422
Accumulated Depreciation		
As at April 01, 2023	-	-
Depreciation for the year	-	-
Total	-	-
Translation Difference	-	-
As at March 31,2024	-	-
Depreciation for the year	-	-
Total	-	-
Translation Difference	-	-
As at March 31,2025	-	-
Depreciation for the year	889,105	889,105
Total	889,105	889,105
Translation Difference	-	-
Translation Difference	57,657	57,657
Net Carrying Value		
As at 31 March 2025	7,754,509	7,754,509
As at March 31,2026	9,607,660	9,607,660

Notes to financial statements for the year ended March 31, 2026

4 Other Non current Financial Assets

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Security Deposit	912,993	771,521
Total	912,993	771,521

5 Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Closing stock	560,988,992	-
Total	560,988,992	-

6 Trade Receivables

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Trade Receivables : Unsecured , considered good-Related Parties	93,615,845	69,494,316
Trade Receivables : Unsecured , considered good	2,055,436,081	1,463,156,495
Total	2,149,051,926	1,532,650,811

7 Cash & cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Cash Balance	141,601	120,259
Balance with Bank	30,171,592	74,632,590
Total	30,313,193	74,752,849

8 Loans

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Loan provided	-	838,039
Less: Loan received	-	-
Total	-	838,039

9 Other Current assets

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Interest receivable	-	19,516
Other Receivable	551,414	1,712,560
Prepaid Expense	392,489	154,830
Loan Provided	-	-
Total	943,903	1,886,906

10 Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Authorised shares		
61 (Previous year : 61) Shares of Euros 50 each	259,048	259,048
Issued, Subscribed & fully paid up shares		
61 (Previous year : 61) Shares of Euros 50 each	259,048	259,048
Total Issued, Subscribed & fully paid up share capital	259,048	259,048

B Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares		Equity Shares	
	As at March 31, 2026		As at March 31, 2025	
	Number	INR	Number	INR
At the beginning of the period	61	259,048	61	259,048
Issued during the period	-	-	-	-
Outstanding at the end of the period	61	259,048	61	259,048

C Details of shareholders holding more than 5% of shares in the company

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sharda Cropchem Limited	61	100%	61	100%

11 Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Surplus		
Opening balance	176,536,017	103,850,389
Add : Profit/(Loss) for the year	60,891,135	72,685,628
Dividend Distribution	(47,464,065)	-
Closing Balance	189,963,087	176,536,017
Foreign Currency Translation Reserve		
Opening balance	14,774,839	11,029,790
Add : Changes for the period	37,513,376	3,745,049
Closing Balance	52,288,215	14,774,839
Total	242,251,302	191,310,856

Notes to financial statements for the year ended March 31, 2026**12 Trade Payables**

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Trade payables - related parties	2,334,825,638	1,313,619,318
Trade payables - others	56,367,034	40,513,609
Total	2,391,192,672	1,354,132,927

13 Other current financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Other payables	2,833,231	1,470,608
	2,833,231	1,470,608

14 Other Current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Interest payable	-	-
Statutory Dues Payable	73,558,849	36,940,213
Total	73,558,849	36,940,213

15 Revenue from Operations

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Sales of Agro Chemicals	4,869,983,747	3,246,391,865
Total	4,869,983,747	3,246,391,865

16 Other income

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Sundry balances written back	-	-
Miscellaneous Income	2,444,856	170,547
Interest income	32,694	162,809
Total	2,477,550	333,356

17 Purchase of traded goods

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Purchases of Agro Chemicals	5,097,397,891	3,004,365,562
Total	5,097,397,891	3,004,365,562

18 (Increase)/ decrease in inventories

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Inventories at the end of the year		
Traded goods	560,988,992	-
Add / (Less): Exchange rate fluctuation on account of average rate transferred to	-	-
Inventories at the beginning of the year	34,163,873	-
Traded goods	-	-
Add / (Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	-	-
Total	(526,825,118)	-

19 Employee benefit expenses

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Salaries & wages	18,939,314	14,059,558
Total	18,939,314	14,059,558

20 Finance costs

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Factoring expense	13,866,634	11,488,821
Interest on loan	-	-
Total	13,866,634	11,488,821

Notes to financial statements for the year ended March 31, 2026

21 Other expenses

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Advertisement expense	552,345	-
Commission expense	25,125,369	13,066,972
Freight and forwarding expenses	67,179,676	44,618,404
Rent	13,248,455	4,477,715
Rates and taxes	20,746,036	29,257,185
Insurance	31,518,794	19,261,880
Travelling and conveyance	5,007	5,540
Communication expenses	380,247	326,485
Office expenses	413,762	274,354
Legal and professional fees	11,489,467	4,915,259
Bank charges	2,284,142	1,905,424
Miscellaneous expenses	4,356,690	3,259,683
Repairs and Maintenance	2,382,754	1,314,751
Bad Debts Provision	1,377,120	2,979,423
Total	181,059,864	125,663,075

22 Income Taxes

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Current income tax	20,297,045	24,228,542
Income tax pertaining to previous years	-	-
Total	20,297,045	24,228,542

22 As per amendment in the Schedule III of the Companies Act 2013, following are the additional notes to accounts

i Trade receivables Ageing

As at March 31, 2026		Outstanding from following periods from due date of payment						Amount in INR
Particulars	Not yet due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total	
i) Undisputed Trade receivables - considered good	1,943,638,631	164,403,850	13,745,765	27,263,680	-	-	2,149,051,926	
ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-	-	
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	
iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	
v) Disputed Trade receivables - considered doubtful	-	-	-	-	-	-	-	

As at March 31, 2025		Outstanding from following periods from due date of payment						
Particulars	Not yet due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total	
i) Undisputed Trade receivables - considered good	1,184,307,748	240,895,483	105,696,044	1,751,536	-	-	1,532,650,811	
ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-	-	
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	
iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	
v) Disputed Trade receivables - considered doubtful	-	-	-	-	-	-	-	

ii Trade Payables Ageing

As at March 31, 2026		Outstanding for following periods from invoice date					
Particulars	Not yet due	Less than 1 year	1- 2 years	2-3 years	More than 3 years	Total	
i) MSME	-	-	-	-	-	-	
ii) Others	2,289,620,324	101,572,348	-	-	-	2,391,192,672	
iii) Disputed dues MSME	-	-	-	-	-	-	
iv) Disputed Dues Others	-	-	-	-	-	-	

As at March 31, 2025		Outstanding for following periods from invoice date					
Particulars	Not yet Due	Less than 1 year	1- 2 years	2-3 years	More than 3 years	Total	
i) MSME	-	-	-	-	-	-	
ii) Others	1,228,868,028	125,264,898	-	-	-	1,354,132,927	
iii) Disputed dues MSME	-	-	-	-	-	-	
iv) Disputed Dues Others	-	-	-	-	-	-	

Notes to financial statements for the year ended March 31, 2026

iii

Ratios						
Ratios	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	Variance %	Explanation for Variance
a) Current Ratio	Current assets	Current liabilities	1.09	1.13	-3%	
b) Debt Equity Ratio	Debt consists of borrowings and lease liabilities	Total equity	Not Applicable	Not Applicable	Not Applicable	
c) Debt Service coverage Ratio	Profit before interest and tax	Debt consists of borrowings and lease liabilities	Not Applicable	Not Applicable	Not Applicable	
d) Return on Equity Ratio	Profit after tax	Average total equity = (Opening total equity + Closing total equity)/2	25.11	33.63	-25%	During the year profit has reduced compared to earlier year which has impacted the ratio
e) Inventory Turnover Ratio	Cost of goods sold	Average inventory = (Opening inventory + Closing inventory)/2	16.29	0	0	During the year the company is holding inventory as on the last date of the financials as compared to nil in the
f) Trade Receivable Turnover ratio	Revenue from operations	Average trade receivables = (Opening trade receivable + Closing trade receivable)/2	2.65	2.37	12%	
g) Trade Payables Turnover Ratio	Total purchases	Average trade payable = (Opening trade payable + Closing trade payable)/2	2.72	2.46	11%	
h) Net capital Turnover Ratio	Revenue from operations	Average working capital = (Opening current assets +	20.08	16.95	19%	
i) Net Profit	Profit after tax	Revenue from operations	1.25	2.24	-44%	There is increase in Sales in the current year but net profit remain in line with previous year
j) Return on capital employed	Profit before interest and tax	Average capital employed * = (Opening capital employed + Closing capital employed)/2	39.20	56.59	-31%	There is decrease in Return on Capital Employed due to increase in capital employed in the current year
k) Return on Investment	Income generated from invested funds in market	Average invested funds in market = (Opening funds invested in market + Closing funds invested in market)/2	Not Applicable	Not Applicable	Not Applicable	

23 Fair Value Measurements

	As at March 31, 2026			As at March 31, 2025		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Trade Receivables	-	-	2,149,051,926			1,532,650,811
Cash and cash equivalents	-	-	30,313,193	-	-	74,752,849
Other current financial assets	-	-	943,903			1,886,906
Total Financial Assets	-	-	2,180,309,022	-	-	1,610,128,605
Financial Liabilities						
Trade Payables	-	-	2,391,192,672	-	-	1,354,132,927
Other Financial Liabilities	-	-	2,833,231	-	-	1,470,608
Total Financial liabilities	-	-	2,394,025,903	-	-	1,355,603,535

21 (a) Disclosures required to be given under IND AS 115 Revenue from Contracts with Customers

- (A) The Company is engaged in the business of dealing in agrochemical products in Europe. Revenue from sale of goods is recognized when control of the goods have been passed to the buyer. Revenue from the sale of goods is measured at amount of consideration which an entity expects to be entitled in exchange for transferring promised goods to the customer, net of returns and allowances, trade discounts, volume rebates and cash discounts. The Company operates a loyalty programme where customers accumulate points for purchases made. Revenue related to the award points is deferred and recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

(B) Reconciliation of revenue recognised from Contract liability:

Particulars	Amount in INR	
	As at March 31, 2026	As at March 31, 2025
Opening Contract liability	-	-
Less: Recognised as revenue during the year	-	-
Add: Addition to contract liability during the year	-	-
Add: Other Adjustments	-	-
Closing Contract liability	-	-

Notes to financial statements for the year ended March 31, 2026

(C) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Particulars	Amount in INR	
	As at March 31, 2026	As at March 31, 2025
Revenue from contract with customer as per Contract price	5,356,677,992	3,662,621,541
Less: Discounts and incentives	300,282,107	207,104,403
Less:- Sales Returns /Credits / Reversals	186,412,137	209,125,273
Less:- Any other adjustments	-	-
Revenue from contract with customer as per statement of profit and loss	4,869,983,747	3,246,391,865

D Disaggregation of revenue from contract with customers

Year ended March 31, 2026

Amount in INR

Particular	Revenue from contracts with customers (IndAS 115)	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
Agrochemicals - Europe	4,869,983,747	-	4,869,983,747	-	4,869,983,747
Other Income - Unallocated	-	-	-	2,477,550	2,477,550
Total	4,869,983,747	-	4,869,983,747	2,477,550	4,872,461,297

Year ended March 31, 2025

Amount in INR

Particular	Revenue from contracts with customers (IndAS 115)	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
Agrochemicals - Europe	3,246,391,865	-	3,246,391,865	-	3,246,391,865
Other Income - Unallocated	-	-	-	333,356	333,356
Total	3,246,391,865	-	3,246,391,865	333,356	3,246,725,221

22 Earnings per share (EPS)

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Basic and diluted earning per share:		
Profit after taxation as per statement of profit and loss	60,891,135	72,685,628
Weighted average number of equity shares outstanding	61	61
Basic and diluted earning per share	998,215	1,191,568
Nominal Value of equity share (EURO)	50	50

23 Contingent liabilities and Commitments

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Contingent liabilities	NIL	NIL
Commitments	NIL	NIL

24 Segment reporting

The Company operates in a single and related business segment viz. Agro Chemicals . Therefore, the information required by the IND AS 108 on segment reporting is not applicable to the Company.

25 Related Party Disclosures**(a) Nature of relationship:**

Particulars	
(i) Parent company	Sharda Cropchem Limited

(b) Related parties with whom transactions have taken place during the Year:

Particulars	
(i) Parent company	Sharda Cropchem Limited
(ii) Fellow Subsidiary	Sharda International Africa (PTY) Ltd
(iii) Fellow Subsidiary	Sharda Poland SP ZO O
(iii) Fellow Subsidiary	Sharda Hungary Kft
(iv) Fellow Subsidiary	Sharda Italia SRL
(v) Fellow Subsidiary	Sharda Peru
(vi) Fellow Subsidiary	Sharda Maroc SARL
(vii) Fellow Subsidiary	Sharda Do Brasil
(vii) Fellow Subsidiary	Sharda De Mexico S Del RL DE CV

Notes to financial statements for the year ended March 31, 2026

Transactions with Related Party

Particulars	As at March 31, 2026	As at March 31, 2025
	INR	INR
Unsecured loan provided :		
Sharda Poland SP ZO O	-	-
Sharda Hungary Kft	-	-
Sharda Italia SRL	-	-
Sharda Peru	883,094	838,039
Unsecured loan provided repaid		
Sharda Poland SP ZO O	-	-
Sharda Hungary Kft	-	-
Sharda Italia SRL	-	-
Sharda Peru	- 1,909,540	-
Unsecured loan received:		
Sharda Poland SP ZO O	-	-
Interest expense on unsecured loan:		
Sharda Poland SP ZO O	-	-
Interest income on unsecured loan:		
Sharda Poland SP ZO O	-	143,571
Sharda Hungary Kft	-	-
Sharda Italia SRL	-	-
Sharda Peru	32,694	19,238
Sale of traded goods:		
Sharda International Africa (PTY) Ltd	9,268,643	9,456,978
Sharda Marco SARL	90,407,606	61,140,774
Sharda De Mexico S De RI De Cv	7,066,992	28,755,329
Sharda Do Brasil	10,774,031	-
Purchase of traded goods:		
Sharda Cropchem Limited	5,088,994,882	4,520,484,979
Dividend Paid to Sharda Cropchem Ltd	- 47,464,065	-

Outstanding balances	As at March 31, 2026	As at March 31, 2025
	INR	INR
Interest on Unsecured loan received		
Sharda Poland SP ZO O	-	37,522
Interest receivable on Unsecured loan provided		
Sharda Poland SP ZO O	-	41,629
Sharda Hungary Kft	-	282,506
Sharda Italia SRL	-	1,732
Sharda Peru	-	-
Loan Given		
Sharda Peru	-	-
Trade payables:		
Sharda Cropchem Limited	2,334,825,638	1,067,765,595
Trade receivables :		
Sharda International Africa (PTY) Ltd	6,737,412	6,190,584
Sharda Maroc SARL	67,551,526	85,009,260
Sharda Do Brasil	11,759,453	-
Sharda De Mexico S Del RL DE CV	7,567,454	-

26 Previous year figures

The previous year figures have been regrouped and reclassified, wherever required, to conform to current year's classification.

As per our report of even date

For V.K.BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 101083W

For and on behalf of the Board of Directors of
SHARDA CROPICHEM ESPANA S.L.

KUNAL V. BESWAL
Partner
Membership Number - 131054
Place : Mumbai
Date: 24.04.2026

R. V. Bubna
Sole Administrator
Date: 24.04.2026