

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: 23.06.2026

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

Ref: BSE Scrip Code: 531370

Sub: Outcome of the Board Meeting pursuant to Regulation 30 and 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations")

Dear Sir/Madam,

In terms of Regulation 30 of SEBI (LODR) Regulations, 2015, this is to inform that the meeting of the Board of Directors of M/s. Sparc Electrex Limited was held today on **23rd June, 2026 on Tuesday** at the Registered office of the Company at 1202, 12th Floor, Esperanza Building, Next to Bank of Baroda, 198, Linking Road, Bandra (West), Mumbai - 400050 at 03.30 p.m. and concluded at 7.10 p.m. The Board considered and approved as follows.

1. Standalone Audited Standalone Financial Results for the quarter and financial year ended 31st March, 2026 along with the Auditors Report thereon and Statement of Impact of Audit Qualifications as per Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015.

Request you to kindly take the same on your records.

Thanking You
Yours Faithfully
For Sparc Electrex Limited



Shobith Ganesh Hegde
(Managing Director)
DIN: 02211021
Place: Mumbai

Encl:

1. AFR and Auditors Report thereon
2. Statement of Impact of Audit Qualifications Report for F.Y 2025-26

SPARC ELECTREX LIMITED

Regd. Off: 1202, Esperanza Building, Next to Bank of Baroda, Linking Road, Bandra (West), Mumbai - 400050
Email id: sparcelectrex@gmail.com | Website: www.sparcelectrex.com | Tel: 9819001811 | CIN: L72100MH1989PLC053467

STATEMENT OF AUDITED FINANCIAL RESULTS FOR YEAR ENDED 31ST MARCH, 2026

(Figures in Lakhs, except No. of Shares and EPS)

Particulars	Quarter ended			Year Ended	
	31st March, 2026	31st Dec, 2025	31st March, 2025	31st March, 2026	31st March, 2025
	Audited	Unaudited	Audited	Audited	Audited
Revenue from Operations	0.19	5.50	43.59	28.29	366.10
Other Income	-	-	-	44.78	-
TOTAL INCOME	0.19	5.50	43.59	73.07	366.10
EXPENSES					
Cost of Materials Consumed	132.31	24.87	137.22	132.31	137.22
Purchase of Stock in trade	-44.45	-	110.64	51.29	346.85
Changes in Inventories of Finished goods, WIP and Stock in trade	153.47	-	-165.70	153.47	-140.74
Employee Benefit Expenses	0.04	0.93	4.79	5.96	7.71
Finance Cost	0.00	-	5.04	7.32	11.04
Depreciation and Amortization Expense (incl. reversal)	0.01	-	0.01	0.01	0.01
Other Expenses	37.19	77.00	119.00	168.89	156.06
TOTAL EXPENSES	278.57	102.80	210.99	519.25	518.14
Profit Before Exceptional Items and Tax	(278.38)	(97.30)	(167.40)	(446.18)	(152.04)
Exceptional Items	-	-	-	-	-
Profit / (Loss) Before Tax	(278.38)	(97.30)	(167.40)	(446.18)	(152.04)
Tax Expenses					
a) Current Tax	-1.40	-	-2.95	-	-
b) Deferred Tax	-	-	-	-	-
c) Short / (Excess) provision for tax of earlier years	-	-	-	-	-
Profit / (Loss) for the period from continuing operations	(276.98)	(97.30)	(164.45)	(446.18)	(152.04)
Profit/(loss) from discontinued operations	-	-	-	-	-
Tax expense of discontinued operations	-	-	-	-	-
Profit/(loss) from Discontinued operations (after tax)	-	-	-	-	-
Profit/(loss) for the period	(276.98)	(97.30)	(164.45)	(446.18)	(152.04)
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the year	(276.98)	(97.30)	(164.45)	(446.18)	(152.04)
Earnings per equity share of Rs. 10/- each (for the period/year): *					
a) Basic EPS (Rs.)	(2.76)	(0.97)	(1.64)	(4.45)	(1.52)
b) Diluted EPS (Rs.)	(1.42)	(0.50)	(0.84)	(2.28)	(0.78)
Number of Shares - Fully Paid Up	10,023,225	10,023,225	10,023,225	10,023,225	10,023,225
Number of Shares - Partially Paid-up	9,532,775	9,532,775	9,532,775	9,532,775	9,532,775
Percentage of Shareholding	100%	100%	100%	100%	100%
Paid-up Equity Capital (FV of Rs. 10/- each) (incl. forfeited shares)	1,010.27	1,010.27	1,010.27	1,010.27	1,010.27
Partially Paid-up Equity Share Capital (FV of Rs. 10/- each)	238.32	238.32	238.32	238.32	238.32

*Not Annualised

Notes :

- The above audited Financial results of the Company for year ended 31st March, 2026 have been reviewed by the Audit Committee and taken on record by the Board of Directors at their respective meetings held on 20th June, 2026.
- The aforesaid Audited financial results for the Year ended 31st March, 2026 have been prepared in accordance with Companies (Indian Accounting Standard) Rules, 2015 as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and in terms of Regulation 33 and Regulation 52 of SEBI (Listing Obligation and disclosure Requirements) Regulations, 2015.
- The Company operates in Two segment as defined by IND AS 108. Segment Reporting for the reportable segment is attached with the result.
- The Figures of the previous year and/or period(s) have been regrouped wherever necessary.
- The above Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (LODR) Regulations, 2015 are available on the Stock Exchange website (www.bseindia.com) and on the Company's website (www.sparcelectrex.com).
- The company's Bank account is frozen due to the non-payment of the outstanding income tax demands. The Income Tax Department has frozen the entity's bank account(s) on 24th November, 2025.

By order of the Board of Directors
SPARC ELECTREX LTD



S. Hegde

Shobhit G Hegde
Managing Director
(DIN: 02211021)

Place: Mumbai
Date: 23rd June, 2026

SPARC ELECTREX LIMITED

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SEGMENT REPORT FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2026

(Figures in Lakhs)

Sr. No.	Particulars	Quarter ended			Year Ended	
		31st March, 2026	31st Dec, 2025	31st March, 2025	31st March, 2026	31st March, 2025
		Audited	Unaudited	Audited	Audited	Audited
1	Segment revenue					
	(a) Manufacturing of Electrical Tools & Service	-0.01	5.50	83.63	28.09	232.12
	(b) Trading	0.20	-	-40.05	0.20	133.98
	TOTAL INCOME	0.19	5.50	43.57	28.29	366.10
2	Segment results profit / (loss) before tax & interest					
	(a) Manufacturing of Electrical Tools & Service	-87.87	-19.37	-62.05	-155.51	19.46
	(b) Trading	-153.27	-	23.49	-153.27	3.31
	TOTAL	(241.14)	(19.37)	(38.56)	(308.78)	22.77
	Less : Finance Cost	0.00	-	11.04	7.32	11.04
	Less : Other unallocable expenses	37.24	77.93	117.79	174.86	163.77
	TOTAL	(278.38)	(97.30)	(167.40)	(490.96)	(152.04)
	Add: Other unallocable income	-	-	-	44.78	-
	Loss before exceptional items and tax	-	-	-	-	-
	Add/(less): Exceptional items- income/(expenses)	-	-	-	-	-
	Total profit/(loss) before tax	(278.38)	(97.30)	(167.40)	(446.18)	(152.04)
3	Segment Assets					
	(a) Manufacturing of Electrical Tools & Service	373.22	117.67	269.95	373.22	269.95
	(b) Trading	751.58	830.05	975.65	751.58	975.65
	Total Segment Assets	1,124.80	947.72	1,245.60	1,124.80	1,245.60
	Unallocable Assets	262.58	609.48	949.44	262.58	949.44
	Total Assets	1,387.38	1,557.20	2,195.04	1,387.38	2,195.04
4	Segment Liabilities					
	(a) Manufacturing of Electrical Tools & Service	33.86	-	158.76	33.86	158.76
	(b) Trading	9.07	-	89.31	9.07	89.31
	Total Segment Liability	42.93	-	248.07	42.93	248.07
	Unallocable Liability	79.47	13.64	235.81	79.47	235.81
	Total Liability	122.40	13.64	483.88	122.40	483.88
5	Capital Employed					
	Capital Employed	1,264.98	1,543.56	1,711.16	1,264.98	1,711.16

By order of the Board of Directors

SPARC ELECTREX LTD



Shobhit G Hegde

Shobhit G Hegde

Managing Director

(DIN: 02211021)

Place: Mumbai

Date: 23rd June, 2026

SPARC ELECTREX LIMITED

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Statement of Assets and Liabilities as on 31.03.2026

(Figures in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	3.58	109.83
Financial Assets		
Investments	-	-
Other Financial Assets	-	-
Deferred Tax Assets	-	-
Other Non Current Assets	190.00	190.00
Total Non-current assets	193.58	299.83
Current assets		
Inventories	15.93	301.70
Financial Assets		
Trade Receivables	1,108.87	943.89
Cash and Cash Equivalents	24.77	91.61
Other Bank Balances	-	-
Loan	-	-
Other Financial Assets	27.87	27.90
Income Tax Assets (net)	9.33	7.82
Other Current Assets	7.03	522.30
Total current assets	1,193.80	1,895.21
Total assets	1,387.38	2,195.04
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	1,963.55	1,963.55
Other Equity	659.85	1,106.03
Call Money Pending for Received	(1,358.42)	(1,358.42)
Total Equity	1,264.98	1,711.16
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
Borrowings	-	80.83
Deferred Tax Liabilities	-	-
Other Non Current Liabilities	-	-
Total Non Current Liabilities	-	80.83
Current liabilities		
Financial Liabilities		
Borrowings	11.95	15.22
Trade Payables	42.93	248.07
Other Financial Liabilities	63.36	82.66
Other Current Liabilities	4.16	57.11
Total Current Liabilities	122.41	403.05
Total Equity and Liabilities	1,387.38	2,195.04

By order of the Board of Directors
SPARC ELECTREX LTD



Shobhit G Hegde

Shobhit G Hegde
Managing Director
(DIN: 02211021)

Place: Mumbai
Date: 23rd June, 2026

SPARC ELECTREX LIMITED

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Statement of Cash flows for the Year ended March 31, 2026

(Figures in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Operating activities		
Profit Before Tax	(446.18)	(152.04)
Adjustments to reconcile profit before tax to net cash inflow		
Depreciation and amortisation	0.01	0.01
Interest Income	-	-
Interest Paid	7.32	11.04
Sundry Balance Written Back	-	-
Profit on sale of fixed assets	(44.78)	-
Provision for Bad Debts	-	-
	(483.63)	(140.99)
Working capital adjustments :-		
(Increase) / Decrease in Trade and Other Receivables	(164.99)	5.98
(Increase) / Decrease in Inventories	285.77	(3.53)
(Increase) / Decrease in Loan	-	-
(Increase) / Decrease in Other Current Assets	515.28	(277.68)
(Increase) / Decrease in Other Non Current Assets	-	-
(Increase) / Decrease in Other Financial Assets	0.03	-
Increase / (Decrease) in Trade and Other Payables	(205.14)	101.26
Increase / (Decrease) in Other Financial Liabilities	(19.30)	4.48
Increase / (Decrease) in Other Current Liabilities	(52.94)	21.07
Increase / (Decrease) in Current Tax Asset	(1.51)	-
Cash generated from operations	(126.43)	(289.41)
Direct taxes paid (Net off Refund)	-	-
Net cash flow from operating activities	(126.43)	(289.41)
Investing activities		
Purchase of Property, Plant and Equipment	-	-
Sale of Property	151.00	-
Interest received	-	-
Net cash flow used in investing activities	151.00	-
Financing activities		
Proceeds from Borrowings (Net)	(84.09)	(3.80)
Procecds From Eq. Share Capital	-	236.79
Interest paid	(7.32)	(11.04)
Net cash flow from financing activities	(91.41)	221.95
Increase in cash and cash equivalents	(66.84)	(67.46)
Cash and cash equivalents at the beginning of the year	91.61	159.07
Cash and cash equivalents at the end of the year	24.77	91.61

By order of the Board of Directors
SPARC ELECTREX LTD



Shobhit G Hegde

Shobhit G Hegde
Managing Director
(DIN: 02211021)

Place: Mumbai
Date: 23rd June, 2026

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS

SPARC ELECTREX LIMITED

Qualified Opinion

We have audited the accompanying quarterly financial results of **SPARC ELECTREX LIMITED** ("the Company") for the quarter ended 31st March, 2026 ('the Statement'), and year to date result for the period from 1st April, 2025 to 31st March, 2026, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial results:

1. Are presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
2. Give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the company for the quarter and year ended 31st March, 2026.

Basis for Qualified Opinion

1. As stated in Expenses (Cost of Material Consumed and Changes in Inventories of Finished goods, Work in progress and Stock in trade) of the Annual Financial Results, the Company has written off a Rs. 231.47 Lakhs of inventory and created a ECL Provision for Stock amounted to Rs. 75 Lakhs during the year. However, the management has not provided any valuation reports or other supporting documents to substantiate the basis for such write-offs. In the absence of sufficient appropriate audit evidence regarding the valuation and recoverability of such inventory, we are unable to comment on the appropriateness of such write-offs and any consequential adjustments that may be required to the financial statements in this regard.
2. Attention is invited for Trade Receivables in Annual Financial Results, which explains the write back of Rs. 48.16 lakhs relating to trade receivables during the year. The Company has not provided adequate reasons, supporting documentation, or evidence of legal remedies undertaken for such write-offs. Further, balance confirmations from the respective debtors confirming such balances and write-offs have not been provided to us.
3. Attention is invited for Trade Payables in Annual Financial Results, which explains the write-off of Rs. 99.09 lakhs relating to trade payables during the year. The Company has not provided adequate reasons, supporting documentation, or evidence undertaken for such write-offs. Further, balance confirmations from the respective creditors confirming such balances and write-offs have not been provided to us.

4. In the absence of sufficient appropriate audit evidence regarding the validity, recoverability/payability, and completeness of such balances written off, we are unable to determine whether such write-offs are appropriate and whether any further adjustments are required to the financial statements in this regard.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for Qualified opinion.

Management's Responsibilities for the Financial Results

These quarterly financial results as well as the year-to-date financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results 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 this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of Matter

We draw attention to **Note 06 of Annual Financial Results**, the Company's bank account has been frozen by the Income Tax Department due to non-payment of outstanding income tax demands. The impact of the same on the Company's operations and financial position is dependent upon the outcome of the related proceedings and management's actions.

Our Opinion is not modified with respect to these matters.

Other Matter

1. The annual financial results dealt with by this report have been prepared for the express purpose of filing with stock exchanges. These results are based on and should be read with the audited financial statements of the Company for the year ended 31st March, 2026 on which we have issued an unmodified audit opinion vide our report dated 23rd June, 2026.
2. The Statement includes the Standalone financial results for the quarter ended 31st March, 2026 being the balancing figure between the audited figures in respect of the full financial and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down under Indian Accounting Standard 34 'Interim Financial Reporting', compiled by the management of the Company, which were subject to limited review by us.

Our opinion is not modified in respect of the above matter.

For Motilal & Associates LLP
(a member firm of M A R C K S Network)
Chartered Accountants
ICAI FRN: 106584W/W100751



Rishabh Jain
Partner
ICAI MRN: 179547

Place : Mumbai
Date : 23rd June, 2026

UDIN : 26179547WYJBIX7870

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS
(FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG-WITH ANNUAL
AUDITED FINANCIAL RESULTS

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2026
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. In Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. In Lakhs
1	Turnover / Total income	73.07	73.07
2	Total Expenditure	519.25	360.04
3	Exceptional and Extraordinary items (Net)	0.00	0.00
4	Net Profit/(Loss) before tax (1-2-3)	(446.18)	(286.97)
5	Earnings Per Share (after Extra-ordinary items)	(4.45)	(2.86)
6	Total Assets	1,387.38	1,645.69
7	Total Liabilities	122.40	221.50
8	Net Worth	1,264.98	1,424.19
9	Any other financial item(s) (as felt appropriate by the management)	-	-

Audit Qualification (each audit qualification separately):

(a) Details of Audit Qualification:

- i. The Company has written off Rs. 231.47 lakhs inventory and has created a Provision of Stock of Rs. 75 lakhs and no valuation reports have been provided for such write offs.
- ii. Rs. 48.16 Lakhs Trade Receivables and Rs. 99.09 Lakhs Trade Creditors have been written back & written-off respectively without providing adequate reasons and/or legal remedies by the Company for writing off such amounts. No balance confirmations from debtors and/or creditors have been provided confirming such write-offs as well.

(b) Type of Audit Qualification: Qualified Opinion

(c) Frequency of qualification: Non-Repetitive

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

1. The Company carried out a detailed review of its inventory as at March 31, 2026 and identified certain stock items that were slow-moving, non-moving, obsolete, damaged, expired, or otherwise not expected to be realized in the ordinary course of business. Based on management's assessment of the condition, age, usability, and estimated realizable value of such inventory, an amount of Rs. 231.47 Lakhs was written off during the year.

The write-off was undertaken in accordance with the principle of valuing inventory at the lower of cost and net realizable value and was considered necessary to present a true and fair view of the Company's financial position. While no independent valuation report was obtained in support of the write-off, the management relied on its internal assessment and records relating to the inventory concerned.

The management believes that the inventory write-off represents a prudent assessment of the recoverable value of the inventory and that the financial statements appropriately reflect the value of inventory as at the reporting date. The Company has carried out an assessment of the inventory and observed that certain stock items had become slow-moving, obsolete, damaged, or otherwise not realizable at their carrying value.

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS

(FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG-WITH ANNUAL AUDITED FINANCIAL RESULTS

Accordingly, the Net Realizable Value (NRV) of such inventory was estimated at approximately Rs. 15.93 Lakhs against the original cost of Rs. 90.93 Lakhs. Based on this assessment and in accordance with the applicable accounting standards, the Company has recognized a provision/write-down for diminution in the value of inventory amounting to approximately Rs. 75.00 Lakhs during the year.

The management believes that the provision made adequately reflects the recoverable value of the inventory and presents a true and fair view of the financial position of the Company.

2. During the year, the Company has written back trade receivables amounting to Rs. 48.16 Lakhs and written off trade payables amounting to Rs. 99.09 Lakhs after a detailed review of the outstanding balances. The receivables written off were considered irrecoverable due to factors such as prolonged non-recovery, closure of parties, disputes, limitation issues, and unsuccessful recovery efforts undertaken by the management. Similarly, the payables written back pertain to old outstanding balances where the liabilities had ceased to exist, were no longer payable, or could not be substantiated after reconciliation and verification of records.

The management has exercised its best judgment based on the available information, supporting records, and the age and status of the balances. Accordingly, the write-off/write-back has been recognized in the books of account to present a true and fair view of the financial position of the Company. However, balance confirmations from certain parties could not be obtained at the time of finalization of the financial statements.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor:

The management has carefully considered the observations made by the Statutory Auditors and submits the following response:

1. Write-off of Inventory

The inventory written off during the year primarily comprised slow-moving, non-moving, obsolete, damaged, expired, and/or unusable stock which, in the opinion of the management, had negligible or no realizable value. The write-off was undertaken after a detailed internal review of the inventory position, considering factors such as age of stock, condition, marketability, technological obsolescence, and expected recoverability.

Due to the nature of the inventory and the circumstances surrounding the write-off, an independent valuation report was not obtained. The management believes that the inventory write-off represents a prudent assessment of the net realizable value of such stock and is in accordance with the principle of presenting a true and fair view of the financial statements.

2. Write-off of Trade Receivables

The trade receivables written off during the year relate to balances that had remained outstanding for a prolonged period and were assessed by management as irrecoverable based on the age of the balances, financial condition of the respective parties, lack of response to recovery efforts, and low probability of realization.

The Company had undertaken reasonable follow-up and recovery measures; however, considering the cost-benefit analysis and practical difficulties involved in pursuing legal proceedings in certain cases, the management concluded that the amounts were no longer recoverable. Accordingly, the balances were written off in the books of account.

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3. Write-off of Trade Payables and Other Credit Balances

Certain creditor balances were written back during the year after management's review determined that the liabilities were no longer payable due to settlement, cessation of obligations, limitation period considerations, reconciliation adjustments, or inability to establish the existence of enforceable claims against the Company.

The management exercised its judgment based on available records and supporting documentation before recognizing such write-backs.

4. Balance Confirmations

The management acknowledges that balance confirmations from certain debtors and creditors were not available at the time of audit. Efforts were made to obtain confirmations; however, responses were not received from all parties. The write-offs and write-backs were determined based on internal records, historical transactions, reconciliations, and management assessment of recoverability and obligations.

5. Corrective Measures

The Company is strengthening its internal controls relating to inventory management, periodic valuation reviews, receivable recoverability assessments, and vendor/customer balance confirmations. The management will also endeavor to maintain more comprehensive documentation supporting future write-offs and write-backs.

6. Management's Conclusion

The Board and Management believe that the write-off of inventory, debtors, and creditor balances has been carried out in good faith, based on the information and records available, and reflects a prudent assessment of the realizable value of assets and obligations of the Company. The management remains committed to improving documentation and control processes to address the observations raised by the Statutory Auditors.

Management's estimation on the impact of audit qualification: as mentioned in the above table

(f) If management is unable to estimate the impact, reasons for the same:

The management acknowledges that balance confirmations from certain debtors and creditors were not available at the time of audit. Efforts were made to obtain confirmations; however, responses were not received from all parties.

(g) Auditors' Comments:

We are not in agreement with above comments for the aforesaid reason:

1. The Company has written off a material amount of inventory during the year; however, the company has not provided any adequate supporting documentation and neither have any valuation reports or stock reports have been provided by management. Since the write off is substantial amount and since no sufficient appropriate audit evidence regarding the basis and recoverability of such write-offs. Consequently, we are unable to determine whether any adjustments are required to the financial statements in respect of this matter. Also, such write-off of inventory has been done with oral assumptions and/or facts without any documents backing the assumption.

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2. The Company has written off a material amount of trade receivables during the year; however, no adequate supporting documentation and justification have not been provided. Evidence of legal actions is also not provided to us by the Company. Further, no balance confirmations from the debtors have been provided to us. Accordingly, we are unable to determine the appropriateness of such write-offs or any required adjustments. Also, such write-off of trade receivables has been done with oral assumptions and/or facts without any documents backing the assumption. There has been no legal initiation by the Company to recover legitimate dues to the Company from such Trade Receivables and only oral answers have been provided to us by the management without substantiating any recovery process or proof disputes.

3. The Company has written off a material amount of trade payables during the year; however, adequate supporting documentation and justification have not been provided that these liabilities do not exist as on date of financials. We have also not received sufficient evidence regarding the basis of such write-offs. Further, no balance confirmations from the respective creditors have been received by the auditors. Accordingly, we are unable to comment on the appropriateness of such write-offs or any consequential adjustments. There has been no initiation by the Trade Payables for waiving off dues by the Company from such Trade Payables and only oral answers have been provided to us by the management without substantiating any concrete reason to establish the extinguishment of such liability of the Company.

SIGNATORIES:

For Sparc Electrex Limited



Shobith Ganesh Hegde
(Managing Director & CFO)
DIN: 02211021

For Sparc Electrex Limited



Ashok Chhaganbhai Patel
(Chairman - Audit Committee)

For Motilal Associates & LLP
Statutory Auditors



CA Rishabh Jain
(Partner)
Mem No. 179547
Date: 23rd June, 2026
Place: Mumbai