



Spray Engineering Devices Limited

CIN: U00000CH2004PLC027625

Regd. Office: SCO – 107, 2nd Floor, Sector 47 – C, Chandigarh – 160047

Corporate Office: “Spray House”, C-82, Industrial Area, Phase VII, Mohali, Punjab – 160055

Tel.: +91 172 3508200

Email: info@sprayengineering.com | Website: www.sprayengineering.com

NOTICE

Notice is hereby given that the 21ST Annual General Meeting (“AGM”) of the Members of Spray Engineering Devices Limited will be held on Wednesday, 05th day of November, 2025, at 03:00 PM (IST) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) facility i.e., e-AGM via Central Depository Services Limited (“CDSL”), to transact the following business(es):

Ordinary Business:

1. To consider and adopt:

To consider and if thought fit, to pass the following resolution as an **ordinary resolution**;

- a) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025, the reports of the Board of Directors and Auditors thereon; and
- b) the audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2025 and the report of the Auditors thereon.

2. To consider and approve the appointment of Mr. Vivek Verma (DIN: 00032970) as a Director of the Company, liable to retire by rotation and being eligible, offers himself for re-appointment

To consider and if thought fit, to pass the following resolution as an **ordinary resolution**;

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Vivek Verma, (DIN: 00032970), who retires by rotation at this Annual General Meeting and being eligible, offers himself/herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

“**RESOLVED FURTHER THAT** Mr. Vimarsh Verma, Director and Mr. Rinkal Goyal, Company Secretary & Compliance Officer of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution including filing necessary forms with the Registrar of Companies, Punjab & Chandigarh, and to take all other incidental steps in this regard.”

Special Business:

3. To Consider and Approve the Change in Registered Office of the Company from UT Chandigarh to Mohali, Punjab and Consequent Amendment in the Memorandum of Association (MOA) for Change of Registered Office Clause

To consider and if thought fit, to pass the following resolution as a **Special resolution**;

“**RESOLVED THAT** pursuant to the provisions of Section 13(4) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 30 of the Companies (Incorporation) Rules, 2014, and subject to the approval of the Regional Director (Northern Region), Ministry of Corporate Affairs, New Delhi, and such other approval(s), permission(s) and sanction(s), as may be necessary, consent of the members of the Company be and is hereby accorded to shift the Registered Office of the Company from the *Union Territory of Chandigarh* to the *State of Punjab*, i.e., from S.C.O. No. 107, 2nd Floor, Sector 47-C, Chandigarh – 160047, India to “Spray

House”, C-82, Industrial Area, Phase VII, Mohali, Punjab – 160055, India, and accordingly Clause II of the Memorandum of Association of the Company be substituted with the following:

Clause II: *The Registered Office of the Company will be situated in the State of Punjab.*

RESOLVED FURTHER THAT a copy of the conveyance agreement, as placed before the meeting and initialled by the Chairman for the purpose of identification, be and is hereby approved as proof of the new registered office premises.

RESOLVED FURTHER THAT Mr. Vivek Verma, Managing Director, and Mr. Rinkal Goyal, Company Secretary & Compliance Officer of the Company, be and are hereby severally authorized to take all necessary steps for giving effect to this resolution including filing of the necessary forms with the Registrar of Companies, Punjab & Chandigarh or any other authority, and to do all such acts, deeds, matters and things as may be required, proper, or expedient to give effect to the foregoing resolution and to settle any question, difficulty, or doubt that may arise in this regard.”

4. To consider the appointment of Mr. Vimarsh Verma (DIN: 11030760) as a Director of the Company

To consider and if thought fit, to pass the following resolution as an **ordinary resolution**;

“**RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Vimarsh Verma (DIN: 11030760), who was appointed as an Additional Director of the Company with effect from 20th August, 2025 and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

“**RESOLVED FURTHER THAT** Mr. Vivek Verma, Managing Director and Mr. Rinkal Goyal, Company Secretary & Compliance Officer of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution including filing necessary forms with the Registrar of Companies, Punjab & Chandigarh, and to take all other incidental steps in this regard.”

5. To increase the Remuneration of Mr. Vivek Verma, Managing Director of the Company

To consider and if thought fit, to pass the following resolution as a **Special resolution**;

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company, and on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, consent of the members be and is hereby accorded for the increase in payment of remuneration to **Mr. Vivek Verma (DIN: 00032970), Managing Director**, from the existing remuneration of **₹72,00,000/- (Rupees Seventy-Two Lakhs Only) per annum** to an amount not exceeding **₹1,60,00,000/- (Rupees One Crore Sixty Lakhs Only) per annum**, with effect from **01st September, 2024 till 30th June, 2027**, on such terms and conditions as set out in the explanatory statement annexed hereto.

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, **Mr. Vimarsh Verma (DIN: 11030760), Director** and **Mr. Rinkal Goyal, Company Secretary** of the Company, be and are hereby jointly or severally authorized to do all such acts, deeds, matters and things as may be considered necessary, proper or desirable, and to execute all necessary documents, applications, returns and filings, including filing of necessary e-forms with the Registrar of Companies, to give effect to the foregoing resolution.”

6. To consider and approve issuance of Non-Convertible Debentures and Execution of Debenture Documents by the Company in Relation Thereto

To consider and if thought fit, to pass the following resolution as a **Special resolution**;

“RESOLVED THAT pursuant to the provisions of Section 23 and 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, Section 71 of the Companies Act 2013 read with Companies (Share capital and Debenture) Rules 2014, the Companies (Acceptance of Deposits) Rules 2014 (including any statutory amendments or re-enactments thereof for the time being in force), as amended from time to time, and Section 179(3)(c) of the Companies Act 2013 and such other applicable provisions of the Companies Act 2013, if any, and in accordance with the provisions of applicable laws, rules and regulations and enabling provisions in the Memorandum and Articles of Association of the Company, and such other approvals, permissions and sanctions as may be necessary under the applicable laws and under the Debenture Trust Deed, the approval and/or consent of any statutory and/or regulatory authorities, if any, and the conditions as may be prescribed by any of them while granting any such approval and/or consent, as may be agreed to by the Board of Directors of the Company (hereinafter referred to as ‘**Board**’, which term shall be deemed to include Committee of Directors, consent of the members, be and is hereby accorded to make offer(s) or invitation(s) to EAAA India Alternatives Limited (hereinafter referred to as the “**Investor**”), to subscribe to 10,000 senior, unlisted, secured, unrated, redeemable and non-convertible debentures (“**NCDs**”) on private placement basis, each having a face value of INR 1,00,000 (Indian Rupees One Lakh), aggregating up to **INR 100,00,00,000** (Indian Rupees One Hundred Crores) for cash, at par, in one or more tranches onto the Investor pursuant to the debenture trust deed to be executed inter alia, between the Company and M/s Catalyst Trusteeship Limited (“**Debenture Trustee**”) (“**Debenture Trust Deed**”) and other debenture documents.

RESOLVED FURTHER THAT the members be and hereby:

- (i) approve the draft of the private placement offer cum application letter (in PAS-4) along with other documents and relevant annexures and the application form annexed thereto including the draft record of private placement offer in Form PAS-5, in relation to the issuance of the senior, unlisted, secured, unrated, redeemable and non-convertible debentures.
- (ii) severally authorize Mr. Vivek Verma, Managing Director and Mr. Vimarsh Verma, Additional Director of the company to sign, issue and deliver the private placement offer cum application letter (in Form PAS-4) and to sign and maintain the record of private placement in form PAS-5, along with other documents relevant annexures and the application form annexed thereto.

RESOLVED FURTHER THAT Mr. Vivek Verma, Managing Director and Mr. Vimarsh Verma, Additional Director of the company, be and are hereby severally authorized to do all such acts, deeds, matters and things, take all steps as may be required to give effect to the aforesaid resolution including but not limited to execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation thereto and to settle all questions, difficulties or doubts that may arise in connection with the issue of NCDs under private placement, including determining the terms and conditions of NCDs and filing of relevant forms, including form MGT-14 and PAS-3, or such other document as applicable with the Registrar of Companies and forms/reports /documents with such other authorities as may be required from time to time and to do all such acts, deeds or things as may be required to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT the Board hereby notes that one of the terms of the issue of the Debentures is that the payment and due discharge of the obligations of the Company shall be secured by:

- (a) First ranking pari passu charge by way of hypothecation over fixed and current assets of the Company, present and future, in accordance with the terms of a unattested deed of

hypothecation to be entered into, *inter alia*, amongst Company and Debenture Trustee ("**Deed of Hypothecation**");

- (b) Unconditional and irrevocable Personal Guarantee of Mr Vivek Verma, in accordance with the terms of a deed of personal guarantee to be entered into, *inter alia*, amongst Mr Vivek Verma, Company and Debenture Trustee ("**Deed of Personal Guarantee**").

RESOLVED FURTHER THAT the following documents are to be executed in relation to the issuance of the Debentures and all the transactions contemplated therein be and are hereby approved by the Board.

- (a) the Debenture Trust Deed;
- (b) the agreement executed between the Company and Debenture Trustee ("**Debenture Trustee Appointment Agreement**");
- (c) Escrow Account Agreement, if any;
- (d) the private placement offer cum application letter(s) in relation to the Debentures pursuant to the provisions of Section 42 of the Act and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014;
- (e) the security documents, including the following:
 - (i) Deed of Hypothecation;
 - (ii) the power of attorney in relation to the Deed of Hypothecation;
 - (iii) Deed of Personal Guarantee
 - (iv) any other documents, letters and undertakings to be executed to create and/or perfect any security, pursuant to the terms of the Debenture Trust Deed or designated as such by debenture holders or the Debenture Trustee,
- (f) the specified documents which include:
 - (i) consent letter from the Debenture Trustee confirming its appointment as the Debenture Trustee for the issue of the Debentures; and
 - (ii) consent letter and engagement letter from the registrar and transfer agent confirming its appointment as registrar and transfer agent for the issue of Debentures and execute an agreement for appointment of registrar and transfer agent.
- (g) any other documents, fee letters, deeds, undertakings, certificates, letters, notices, agreements, power of attorneys, and instruments as required to be executed or delivered to or by the debenture holders or the Debenture Trustee or the Company pursuant to the Debenture Documents or such other documents that are confirmed as 'Debenture Documents' by the Debenture Trustee; and
- (h) any amendments/modifications/supplements to the documents mentioned above.

(the documents mentioned at (a) to (h) above are collectively referred to as the "**Debenture Documents**").

RESOLVED FURTHER THAT the Company does appoint M/s Catalyst Trusteeship Limited ("**Debenture Trustee**") to act as the Debenture Trustee for the benefit of the debenture holders, on terms and conditions set out in the Debenture Trustee Appointment Agreement and other relevant Debenture Documents to be executed by the Company and shall be paid the annual trustee fee as may be mutually agreed with the Company.

RESOLVED FURTHER THAT the Company does appoint M/s Abhipra Capital Limited ("RTA") having its registered office at Abhipra Complex, A-387, Dilkhush Industrial Area, GT Karnal Road, Azadpur, Delhi - 110033, as the registrar and transfer agent in connection with the Debentures.

RESOLVED FURTHER THAT the approval of the Board is hereby accorded to the Company to make arrangement with the Central Depository Services Limited ("**Depository**"), for issuing the Debentures in dematerialized form.

RESOLVED FURTHER THAT Canara Bank or any other bank acceptable to the Debenture Trustee as the escrow bank for the bank accounts to be opened by the Company by the Board for the Debentures issued, from time to time, subject to their confirmation to act as the escrow bank, and to pay the fees as may be agreed between the Company and the escrow bank.

RESOLVED FURTHER THAT the consent of the Board be and is hereby accorded for the following:

- (a) to open relevant bank account(s), if required and authorize officials of the Company to operate the same wherever necessary and empower such officials of the Company to furnish requisite applications, documents, and execute agreements with the banks for opening, operation, and maintenance of bank accounts required pursuant to the terms and conditions of issuance of the Debentures;
- (b) to decide / confirm / ratify terms and conditions and number of Debentures to be issued, the timing, nature, type, pricing, and such other terms and conditions of the issue of Debentures including coupon rate, minimum subscription, if any, etc. and to issue and allot the Debentures and to approve / confirm / ratify all other matters and terms and conditions relating to the issue of Debentures and to do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including the Debenture Documents, and to vary, modify or alter any of the terms and conditions, including size of the issuance of the Debentures, as it may deem expedient, in consultation with the arrangers to the issuance of the Debentures; and
- (c) to accept and receive subscription / application money, to appropriate the proceeds of the issuance of the Debentures and to make allotment of the said Debentures and to authorize maintenance of a Register of debenture holders in physical /electronic mode.

RESOLVED FURTHER THAT any of the Mr. Vivek Verma, Managing Director, Mr. Vimarsh Verma, Director and Mr. Rinkal Goyal, Company Secretary, of the company ("**Authorized Signatory(ies)**"), be and are hereby [jointly/severally] authorized to do the following acts deeds and things in relation to issuance of the Debentures:

- (a) to admit/dematerialize the Debentures with depositories i.e., National Securities Depository Limited and/or Central Depository Services (India) Limited, as the case may be and to pay all necessary fees and /or expenditure in connection thereto and also to sign all necessary agreements /documents for the said purpose in order to give effect to this resolution;
- (b) to pay stamp duty, registration charges and other fees and charges with respect to the Debenture Documents and prepare, sign, file, submit the necessary application with the concerned Collector of Stamps at Chandigarh along with all other document(s) and deed(s) as may be required, for the stamping of the Debentures, proposed to be issued by the Company from time to time, including the grant of letter of authority to person(s)/ firm to represent the Company before the Collector of Stamps and to do all such other acts, deeds and things as may be deemed fit in this regard;
- (c) to prepare, negotiate, sign, and execute various agreements and documents in relation to the issue of the Debentures including but not limited to the Debenture Documents and all other undertakings, agreements, deeds, declarations, affidavits, certificates, documents, etc. and to do all such acts, deeds and things, and to comply with all formalities as may be required in connection with and incidental to the aforesaid issue including the post issuance of the Debentures compliances and with power to settle any question, difficulties or doubts that may arise in regard to the issue or allotment of such Debentures as may be deemed fit;
- (d) to negotiate, modify, alter, amend, finalize, sign, execute, deliver or cause to be executed and delivered on behalf of the Company, any changes and modifications (including fundamental changes or modifications) to the terms and conditions contained in the Debenture Documents

- (whether before or after execution of the Debenture Documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Debenture Documents as may be necessary or required for the aforesaid purpose;
- (e) to create security over the assets of the Company as provided in the offer letter and other Debenture Documents to secure the Debentures, and take all necessary and appropriate steps relating to the perfection and registration of security, and to sign and submit the necessary forms with the Registrar of Companies and other relevant governmental authorities;
 - (f) to open and operate bank accounts in relation to the Debentures, and furnish requisite applications, documents and execute agreements with the banks for opening, operation and maintenance of bank accounts required in terms of the Debenture Documents;
 - (g) to do all such acts, deeds, matters and things that the Directors and Company Secretary of the Company may in their absolute discretion consider necessary, proper and expedient to settle any question, difficulty or doubt that may arise in respect of the Debentures, and to execute all documents and writings as may be necessary, proper, desirable or expedient for the purpose of giving effect to the aforesaid resolutions including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched by the Company under or in connection with the documents to which the Company is a party as well as to accept and execute any amendments to the Debenture Documents and other deeds, documents and other writings as and when necessary and to take all such further steps as may be required to give effect to the aforesaid resolutions;
 - (h) to execute and deliver all other documents of instruments and to do or cause to be done any and all other acts or things in order to carry out the purposes and intent of the foregoing or in connection with the issue and any documents or instruments so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of that fact;
 - (i) to appoint/ reappoint such intermediaries as may be required for the purposes of the issue;
 - (j) to seek, approvals, consent, waiver from any person/authority as the case may be in connection with the issue, offer and allotment of the Debentures;
 - (k) to carry out and/or accept corrections/additions/amendments in the draft notice, to be issued to the shareholders, as may be necessary and to take necessary steps as may be required to give effect to the resolution and to obtain approval of the shareholders;
 - (l) to issue and deliver certified copies of this resolution to the shareholders of the Company; and
 - (m) to appoint any person(s) as the true and lawful attorney to take all such actions as contemplated herein, for and on behalf of the Company, and to execute any power(s) of attorney granting the authority to such person(s) in this regard;
 - (n) to obtain ISIN from the Depository.

RESOLVED FURTHER THAT the Board by and is hereby authorized to revise the list of Authorised Signatories for carrying out various activities for the purpose of issue and allotment of the Debentures in order to ensure the smooth functioning of business of the Company from time to time.

RESOLVED FURTHER THAT any of the Authorised Signatories of the Company be and are hereby severally authorized to file the requisite e-forms with the Registrar of Companies within the time prescribed by law thereof.

RESOLVED FURTHER THAT the Authorised Signatory of the Company, is hereby severally authorized to sign and/or dispatch all documents and notices to be signed and/or dispatched on behalf of the Company under or in connection with the Debenture Documents and to give / issue / sign all such authorizations, utilization requests and all other correspondence, requests, notices, approvals,

certificates as and when necessary, incidental to or required in connection with the issuance of Debentures.

RESOLVED FURTHER THAT the Board approves the execution of, and the transactions contemplated by the Debenture Documents (copies whereof duly signed by the Chairman for the purpose of identification have been placed on the table of the meeting) and the creation and perfection of security by the Company in accordance with the provisions of the Debenture Documents as security for the Debentures.

RESOLVED FURTHER THAT pursuant to the provisions of Section 42 of the Act and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the drafts of complete record of private placement offer in Form PAS-5 and private placement letter of offer in Form PAS-4 for the issuance of Debentures through private placement, be and are hereby approved by the Board.

RESOLVED FURTHER THAT the Board of Directors approve the borrowings contemplated in terms of the Debenture Trust Deed and other Debenture Documents and creation of security interests on the Company's assets in accordance with the provisions of the Debenture Trust Deed and the security documents.

RESOLVED FURTHER THAT the common seal of the Company, if required, be affixed to the agreements to execute the Debenture Documents, and all other documents (to which the Company is a party) in accordance with the Articles of Association of the Company who shall sign the same in token thereof.

RESOLVED FURTHER THAT pursuant to the provisions of Companies Act 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the necessary approvals, permissions, consents, sanctions, if any, of the concerned authorities, consent of the Board be and is hereby accorded to take out the common seal of the Company from its registered office to any other location for the purpose of execution of Debenture Documents, as may be required.

RESOLVED FURTHER THAT a copy of the foregoing resolutions be certified by any of the Directors of the Company or the Company Secretary of the Company.”

7. To consider and approve increase in remuneration of Statutory Auditors of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**;

“RESOLVED THAT pursuant to the provisions of Section 142 and all other applicable provisions of the Companies Act, 2013, the remuneration of M/s Ashwani K. Gupta & Associates, Statutory Auditors of the company be and is hereby increased to **Rs. 12,50,000/- (Rupees Twelve Lakhs Fifty Thousand only) per annum** from the existing **Rs. 10,00,000/- (Rupees Ten Lakhs only) per annum** plus applicable G.S.T. and reimbursement of out-of-pocket expenses.

“FURTHER RESOLVED THAT Mr. Vivek Verma (DIN 00032970), the Managing Director, Mr. Vimarsh Verma, Director (DIN: 11030760) and Mr. Rinkal Goyal, Company Secretary & Chief Compliance Officer of the Company be and are hereby severally authorized to do all such acts as may deem necessary to make this resolution effective.

By order of the Board of Directors
For Spray Engineering Devices Limited

Sd/-
Rinkal Goyal
Company Secretary and Chief Compliance Officer
Membership No. F11321

Date: 13.10.2025
Place: Chandigarh

Notes:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013, as amended ('Act'), setting out the material facts concerning the business with respect to Item No. 3, 4, 5, 6 & 7 forms part of this Notice. Further, disclosure requirements in terms of Secretarial Standard on General Meetings ('SS-2') issued by The Institute of Company Secretaries of India, in respect of Director retiring by rotation and seeking re-appointment at this Annual General Meeting ('Meeting' or 'AGM') is furnished as Annexure to this Notice.
2. In view of the outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') had, via General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013", General Circular Nos. 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 09/2024 dated September 19, 2024 (collectively 'MCA Circulars'), permitted companies to conduct annual general meetings through video conferencing ('VC') or Other Audio-Visual Means ('OAVM'); accordingly, in compliance with the MCA Circulars and applicable provisions of the Act, the AGM is being convened and conducted through VC/OAVM (i.e., e-AGM) via Central Depository Services Limited (CDSL), without the physical presence of members at a common venue and the deemed venue for the AGM shall be the Registered Office of the Company, while the Route Map is not annexed in this Notice since the AGM will be held through the VC/OAVM Facility.
3. For convening the AGM through VC / OAVM, necessary arrangements have been made by the Company with CDSL and instructions for the process to be followed for attending and participating in the AGM forms part of this Notice.
4. Notice of the AGM along with the Annual Financial Statements for financial year ("FY") 2024-25 is being sent by electronic mode to those Members whose e-mail IDs are registered with the Company or Central Depository Services Limited ("CDSL")/National Securities Depository Limited ("NSDL"), collectively ("Depositories"). [SEBI Circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 7, 2023 and October 3, 2024, collectively referred as "SEBI Circulars"]
The Notice and Annual Financial Statements for FY 2024-25 is available on the following websites (a) Company – (a) www.sprayengineering.com (b) CDSL – www.evotingindia.com.
5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
6. The Member whose name appears in the Register of Members / Beneficial Owners maintained by the Depositories as on cut-off date i.e., Wednesday, October 29, 2025 will only be considered for the purpose of remote e-voting and e-voting. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
8. In compliance with the MCA Circulars, the Notice of the AGM along with the Annual Financial Statements for FY 2024-25 is being sent only through electronic mode to those members whose names appear in the Register of Members / Beneficial Owners maintained by the Depositories

as on Friday, October 10, 2025, and whose email addresses are registered with the Company or the Depositories; members may note that this Notice will also be available on the website of the Company at www.sprayengineering.com and is also available on the website (CDSL website) www.evotingindia.com.

9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and the Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by CDSL.
11. All documents referred to in the notice and explanatory statement and the register of directors and key managerial personnel and their shareholding maintained under Section 170 of the Act.
12. Members holding shares as on the cut-off date i.e., Wednesday, October 29, 2025 and who would like to express their views or ask questions during the AGM may register themselves by sending a request from their registered email id mentioning their name, DP id and Client id/ folio number, PAN and mobile number at rinkal.goyal@sprayengineering.com; the Speaker Registration will remain open from Sunday, November 02, 2025 to Tuesday, November 04, 2025 till 05:00 P.M. (IST), and only those Members who are registered will be allowed to express their views or ask questions; the members may send their questions in advance within the stipulated period to enable the management to respond to these queries objectively at the AGM, and the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
13. The Company has appointed M/s Surya Gupta & Associates (Membership No. F-9250) as the Scrutinizer for scrutinizing the remote e-voting and e-voting process to ensure that the process is carried out in a fair and transparent manner.
14. The remote e-voting facility commences on Sunday, November 02, 2025 at 9:00 A.M. (IST) and ends on Tuesday, November 04, 2025 at 5:00 P.M. (IST). The remote e-voting shall be disabled by CDSL after aforesaid period.
15. Voting rights shall be reckoned on the paid-up value of shares registered in the name of Members / Beneficial Owners maintained by the Depositories as on the cut-off date i.e., Wednesday, October 29, 2025.
16. Members are requested to quote their Registered Folio Number or Demat Account Number and Depository Participant (DP) ID number in all correspondence with the Company.
17. The Members attending the AGM who are entitled to vote but have not exercised their right to vote through remote e-voting may vote during the AGM through e-voting for all businesses specified in the accompanying Notice; the members who have exercised their right to vote by remote e-voting may attend the AGM but shall not vote at the AGM.
18. Members who are holding shares in physical form or who have not registered their email address with the Company / Depository or any person who acquires shares of the Company and becomes a member of the Company after the Notice has been sent electronically by the Company, and holds shares as of the cut-off date, i.e. Wednesday, October 29, 2025, may obtain the User ID and password by sending a request at rinkal.goyal@sprayengineering.com; however, if a Member is already registered with CDSL for remote e-voting and e-voting, then existing User ID and password can be used for casting vote.
19. A person who is not a member as on the cut-off date i.e., Wednesday, October 29, 2025, should treat this Notice for information purposes only.
20. Members can avail the facility of nomination in respect of the equity shares held by them in physical form pursuant to the provisions of Section 72 of the Act read with rules thereunder; members desiring to avail this facility may send their nomination in Form SH-13 duly filled in, to the Company, and further, members desirous of cancelling / varying nomination pursuant to the provisions of the Act are requested to send their requests in Form SH-14 to the Company, with these forms being made available on request.
21. All assistance related with the facility for voting by electronic means may be sent to helpdesk.evoting@cdslindia.com;

22. The Scrutinizer shall, after the conclusion of AGM, submit the consolidated scrutinizer's report (i.e., votes cast through remote e-voting and e-voting during AGM) to the Chairman of AGM after completion of scrutiny and the results will be announced by the Chairman or any other person authorised by the Chairman; based on the Scrutinizer's report, the result will be declared within two working days from conclusion of AGM and the details of result along with Scrutinizer's Report will be placed on the website of the Company at www.sprayengineering.com and on the website of CDSL at www.evotingindia.com;
23. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on Sunday, November 02, 2025 at 9:00 A.M. (IST) and ends on Tuesday, November 04, 2025 at 5:00 P.M. (IST). The remote e-voting module shall be disabled by CDSL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, October 29, 2025 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, October 29, 2025.

How do I vote electronically using CDSL e-Voting system?

The way to vote electronically on CDSL e-Voting system consists of "Two Steps" which are mentioned below:

- Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
 - Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
- (i) The voting period begins on Sunday, November 02, 2025 at 09:00 A.M. (IST) and ends on Tuesday, November 04, 2025 at 05:00 P.M. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, October 29, 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
 - Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
 - (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting 4) For OTP based login you can click on https://eservices.nsd.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

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

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.
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- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Company Name i.e. Spray Engineering Devices Limited on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; rinkal.goyal@sprayengineering.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at rinkal.goyal@sprayengineering.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to rinkal.goyal@sprayengineering.com.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

Statement pursuant to Section 102(1) of the Companies Act, 2013 ('Act')

The following Statement sets out all material facts relating to Item Nos. 3 mentioned in the accompanying Notice.

Shifting of Registered Office of the Company from the Union Territory of Chandigarh to the State of Punjab and Alteration of Clause II of the Memorandum of Association

The Registered Office of the Company is presently situated at S.C.O. No. 107, 2nd Floor, Sector 47-C, Chandigarh – 160047, India within the Union Territory of Chandigarh.

In order to achieve better operational efficiency, improve administrative convenience, and facilitate closer coordination with the Company's manufacturing facilities, operational units and management team, the Board of Directors of the Company has decided that the Registered Office of the Company be shifted to the State of Punjab. The proposed location, "Spray House", C-82, Industrial Area, Phase VII, Mohali, Punjab – 160055, India, is in proximity to the Company's industrial operations and will enable smoother management, cost efficiency, and effective control of business affairs.

Pursuant to Section 13(4) of the Companies Act, 2013 read with Rule 30 of the Companies (Incorporation) Rules, 2014, shifting of the registered office of a company from one State/Union Territory to another requires the approval of members by way of a *Special Resolution* and the confirmation of the Regional Director (Northern Region), Ministry of Corporate Affairs, New Delhi. Consequent upon the shifting of the registered office, Clause II of the Memorandum of Association of the Company is also required to be amended to reflect the change in the State in which the Registered Office of the Company will be situated.

The Board of Directors, at its meeting held, approved the proposal to shift the registered office of the Company from the Union Territory of Chandigarh to the State of Punjab, subject to the approval of members and the Regional Director.

The copy of the conveyance agreement of the new premises, as placed before the Board, has also been approved as proof of the new registered office address.

The Board considers that the shifting of the registered office is in the best interests of the Company and its stakeholders and therefore recommends the passing of the resolution set out at Item No. 3 as a *Special Resolution*.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, in the Resolution set out in Item No. 3 of this Notice.

The Board recommends the resolution for approval of the members by way of a ***Special Resolution***.

The following Statement sets out all material facts relating to Item Nos. 4 mentioned in the accompanying Notice.

Regularization of Mr. Vimarsh Verma (DIN: 11030760) as Director of the Company

The Board of Directors of the Company, on 20th August, 2025, appointed **Mr. Vimarsh Verma (DIN: 11030760)** as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company.

In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Vimarsh Verma holds office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Vimarsh Verma for appointment as Director of the Company, liable to retire by rotation.

Mr. Vimarsh Verma has consented to act as Director of the Company and has submitted the requisite declaration that he is not disqualified to be appointed as Director under Section 164 of the Companies Act, 2013.

The Board recommends the Ordinary Resolution as set out in Item No. 4 of this Notice for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives except Mr. Vivek Verma, being the father of Mr. Vimarsh Verma, are concerned or interested, in the Resolution set out in Item No. 4 of this Notice.

The Board recommends the resolution for approval of the members by way of an **Ordinary Resolution**.

The following Statement sets out all material facts relating to Item Nos. 5 mentioned in the accompanying Notice.

Approval for Increase in Remuneration of Mr. Vivek Verma, Managing Director

The members are informed that **Mr. Vivek Verma (DIN: 00032970)** was re-appointed as the **Managing Director** of the Company for a term of 3 years commencing from **01st July, 2024 to 30th June, 2027**, on such terms and conditions as approved by the shareholders at their meeting held earlier.

Considering the growth in the scale of operations of the Company, the responsibilities entrusted upon the Managing Director, his valuable contribution in driving the Company's performance, and industry remuneration benchmarks, the **Board of Directors**, at its meeting held, after due consideration, approved an increase in the remuneration payable to Mr. Vivek Verma.

Accordingly, it is proposed to revise the remuneration of Mr. Vivek Verma from the existing **₹72,00,000/- (Rupees Seventy-Two Lakhs Only) per annum** to an amount not exceeding **₹1,60,00,000/- (Rupees One Crore Sixty Lakhs Only) per annum** with effect from **01st September, 2024 till 30th June, 2027**, subject to the approval of the shareholders.

The proposed remuneration is in line with the provisions of Sections **196, 197 and 198 read with Schedule V** of the Companies Act, 2013. In the event of inadequacy or absence of profits in any financial year during the tenure of Mr. Vivek Verma, the Company shall pay the aforesaid remuneration as minimum remuneration, subject to compliance with the provisions of Schedule V and receipt of requisite approvals, if any.

The terms and conditions of the remuneration shall remain the same as approved earlier, except for the increase proposed herein.

The Board recommends the Special Resolution as set out in Item No. 5 of this Notice for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives except Mr. Vivek Verma, himself and Mr. Vimarsh Verma, being the son of Mr. Vivek Verma, are concerned or interested, in the Resolution set out in Item No. 5 of this Notice.

The Board recommends the resolution for approval of the members by way of a **Special Resolution**.

The following Statement sets out all material facts relating to Item Nos. 6 mentioned in the accompanying Notice.

Approval for issuance of 10,000 senior, unlisted, secured, unrated, redeemable, non-convertible debentures on a private placement basis and execution of related debenture documents

The Board of Directors of the Company, at its meeting held, approved, subject to the approval of members, the proposal for issuance of **10,000 (Ten Thousand) senior, unlisted, secured, unrated, redeemable, non-convertible debentures (NCDs)** of a face value of **₹1,00,000/- each** (INR One Lakh) aggregating to **₹100,00,00,000/- (Rupees One Hundred Crores only)**, for cash, at par, on a private placement basis.

The proposed NCD issue will enable the Company to meet its funding requirements for business operations, refinancing of existing borrowings, capital expenditure, working capital, and general corporate purposes, as may be decided by the Board from time to time.

As per the provisions of **Section 42 and Section 71 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014**, a company offering securities on a private placement basis is required to obtain prior approval of the members by way of a *Special Resolution*. Such approval shall be valid for a period of one year from the date of passing of the resolution.

Further, as part of the terms of the issue, the NCDs will be **secured by way of first ranking pari passu charge by hypothecation over certain fixed and current assets of the Company, both present and future**. Accordingly, the Company is required to execute various **Debenture Documents** including but not limited to the **Debenture Trust Deed, Deed of Hypothecation, Debenture Trustee Appointment Agreement, Escrow Account Agreement, Personal Guarantee Deed, and other ancillary agreements** to create and perfect the security in favour of the Debenture Trustee, as well as to comply with all regulatory requirements.

The Board also proposes to authorize designated officials of the Company to execute, negotiate, amend, modify and finalize all necessary agreements, deeds, undertakings, power of attorneys, and other related documents, and to do all such acts, deeds and things as may be necessary or expedient for the issuance of NCDs, creation of security, filing of forms with the Registrar of Companies, admission/dematerialization of debentures with depositories, and related compliances.

The detailed resolution placed before the members seeks approval for the issuance of the above NCDs, creation of security interests over the Company's assets, and authorization for execution of the Company Debenture Documents and other related Debenture Documents.

The Board believes that the proposed issue of NCDs will strengthen the financial position of the Company and is in the interest of the Company and its stakeholders.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, in the Resolution set out in Item No. 6 of this Notice.

The Board recommends the resolution for approval of the members by way of a ***Special Resolution***.

The following Statement sets out all material facts relating to Item Nos. 7 mentioned in the accompanying Notice.

Approval for increase in remuneration of Statutory Auditors of the Company

The remuneration payable to the Statutory Auditors was fixed at **Rs. 10,00,000** per annum. At that time, the Company had limited operations and the financial statements were being prepared and audited on a yearly basis. However, with time, the Company has increased its capital base, raised funds through

preferential allotment and has also been preparing to bring an IPO and therefore for the purpose of compliance with SEBI (LODR) 2015, the financial statements have been restated and the auditors now furnish quarterly financial statements.

Considering the increase in the scope of work of the Statutory Auditors, the Board recommends the increase in remuneration of Statutory Auditors from Rs. 10,00,000 per annum to **Rs. 12,50,000 per annum**.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, in the Resolution set out in Item No. 7 of this Notice.

The Board recommends the resolution for approval of the members by way of an **Ordinary Resolution**.

For Spray Engineering Devices Limited

Sd/-

Rinkal Goyal
Company Secretary and Chief Compliance Officer
Membership No. F11321

Date: 13.10.2025
Place: Chandigarh

Annexure-A**Details of Director seeking appointment and re-appointment at this AGM
(In pursuance of Secretarial Standard - 2 on General Meetings)**

Name of the Director	Vivek Verma	Vimarsh Verma
Director Identification Number (DIN)	00032970	11030760
Designation and Category of Director	Managing Director	Additional Director
Date of birth and age	28.09.1966	25.03.1996
Date of first appointment	08.11.2004	20.08.2025
Qualifications	Agriculture Engineer	B.Sc. – Mechanical Engineering M.Sc. – Mechanical Engineering
Expertise in specific functional areas	Engineering, Design and Automation	R&D and Business Development
Terms and conditions of appointment/ re-appointment	Re-appointed as Managing Director w.e.f. 01.07.2024 for 5 years	Appointed as Executive director
Directorships held in other companies (excluding Foreign Companies)	4	4
Listed Entities from which she has resigned as Director in past 3 years	NIL	NIL
Memberships/Chairpersonships of committees of other companies	NIL	NIL
Details of remuneration sought to be paid	upto INR 1.60 Crores p.a.	INR 46 Lakhs p.a.
Number of Equity Shares held in the Company	1,21,93,918	NIL
Relationship with other Directors and KMP of the Company	Father of Mr. Vimarsh Verma, Additional Director in the company	Son of Mr. Vivek Verma, Managing Director of the company



Spray Engineering Devices Limited

CIN: U00000CH2004PLC027625

Regd. Office: SCO – 107, 2nd Floor, Sector 47 – C, Chandigarh – 160047

Corporate Office: “Spray House”, C-82, Industrial Area, Phase VII, Mohali, Punjab – 160055

Tel.: +91 172 3508200

Email: info@sprayengineering.com | Website: www.sprayengineering.com

DIRECTOR’S REPORT

Dear Members,

Your Directors are pleased to present the Director’s Report along with the Audited Financial Statements of your Company for the financial year ended March 31, 2025 (“FY 2024-25”).

FINANCIAL PERFORMANCE

Summary of the Company’s Financial Performance in 2024-25:

(in ₹ Millions)

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenues from Operations (Net)	4604.44	5,468.42	4609.71	5473.45
Other Income	8.48	9.26	8.55	9.34
Total Revenue	4612.92	5,477.68	4618.26	5482.79
Less:				
Cost of Raw Material consumed	3023.35	3,405.82	3023.35	3405.82
Employee Benefit Expenses	538.48	464.32	538.48	465.61
Other Expenses	659.32	717.76	660.19	719.80
Profit before Finance Costs, Depreciation, Amortization and Tax	391.77	889.78	396.24	891.56
Less: Finance Costs	114.44	98.89	114.50	98.91
Profit before Depreciation, Amortization and Tax	277.33	790.89	281.74	792.65
Less: Depreciation & Amortization Expenses	76.14	49.30	76.14	49.30
Profit before Tax	201.19	741.59	205.60	743.35
Less: Tax expenses				
Current Tax	48.96	150.92	49.70	151.30
Deferred Tax	5.38	60.61	5.70	60.50
Profit after Tax	146.85	530.06	150.20	531.55
Add: Other Comprehensive Income				
Items that will not be reclassified to profit or loss	(3.63)	(6.08)	(3.63)	(6.08)
Income tax relating to items that will not be reclassified to profit or loss	0.91	(1.77)	0.91	(1.77)
Total Comprehensive Income for the Year	144.13	522.21	147.48	523.70
Earnings per equity share of Rs. 10/- each				
Basic (in Rs.)	5.82	23.12	5.95	23.19
Diluted (in Rs.)	5.82	23.12	5.95	23.19

PERFORMANCE, AIM AND OUTLOOK

During the year, the total revenue of the Company has decreased from **Rs. 5,477.68 million to Rs. 4,612.92 million**. Your directors have assured that the revenue will increase and company will earn significant profits during the next financial year.

The major part of the total revenue consists of sale of Sugar Machinery and its parts and sale of Low Temperature Evaporator/MVR and its parts.

OPERATIONS

During the financial year 2024-25, the revenue of company has decreased from **Rs. 5,477.68 million to Rs. 4612.92 million**. The Company has executed many projects related to “**Sale of Sugar Machineries & their parts**” and “**Low Temperature Evaporator/MVR and its parts**” during this year. The Company has also completed supply, erection and commissioning for many projects. All these projects are running satisfactorily.

DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment for the time being in force).

DIVIDENDS

During the financial year 2024-25, the Company has not declared any dividend due to deployment of profits for the operations of the company.

TRANSFER TO GENERAL RESERVES

The Company has not transferred any amount to the General Reserves of the Company during the financial year ended on March 31, 2025.

SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has following Subsidiary Companies as on 31st March, 2025:

1. M/s SED Engineers & Fabricators Private Limited
2. M/s Sustainable Environment Developers Limited

The Company has following Associate Company as on 31st March, 2025:

1. M/s IPRO Sugar Engineering Private Limited

A Statement containing salient features of the financial statement of subsidiaries/ Associate companies/joint ventures in form AOC-1 is enclosed as “**Annexure I**”.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of the company between the end of the financial year of the company to which the financial statements relate and the date of this report.

Further, it is hereby confirmed that there has been no change in the nature of business of the company.

CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the financial year pursuant to the provisions of Section 135 of the Companies Act, 2013 are set out in **Annexure II** to this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. The CSR Policy of the Company shall be available on the website at <https://www.sprayengineering.com>

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013

Information on transactions with related parties pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure III** in **Form AOC-2**.

ANNUAL RETURN

As per the requirement of the provisions of Section 134(3)(a) and Section 92 of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company in Form MGT-7 for the financial year 2024-25 shall be available on the Company's website at <https://www.sprayengineering.com>.

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

The information pertaining to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is detailed hereunder:

1. Conservation of Energy:

Steps taken for conservation	NIL
Steps taken for utilizing alternate sources of energy	NIL
Capital investment on energy conservation equipment	NIL

2. Technology Absorption:

Efforts made for technology absorption:
Our technology saves energy in form of Steam, Water, Electricity & Solar, Ethanol, Jaggery
Benefits derived:
<p>Spray Engineering Devices Limited (SED) has developed Low Temperatures Evaporator for more than 99% high quality clean water recovery and recycling in single step in closed loop from any type of effluent or wastewater using low temperature evaporation technology based on mechanical vapour compression (MVC) system providing eco-friendly solution. This system is operating on compressed vapour without use of external heat source i.e. boiler, turbine, cooling water etc. thus eliminating use of heat generation unit (Fossil & Non-Fossil Fuel Boiler) and heat rejection unit (Condenser and Cooling Tower).</p> <p>Further, the company has identified several potential areas for energy conservation of sugar & allied industries to achieve increased productivity at reduced costs with optimum utilization of resources by R & D efforts. With the continuous R & D work by your company, the steam consumption of sugar industry has been achieved up to 27-28% on cane using innovative technologies, energy efficient equipment's and solutions. The power (40 kW/Ton) consumption has been reduced up to 22-24 kW/Ton of cane and factory has been managed to operate with Zero Fresh Water requirement. With the vision to make SEDL, the world class technical solution provider, it has made the beginning and there are still miles to go through robust R&D efforts and customer-oriented approach. Development and Implementation of innovative ideas & technologies through energy efficient engineering by continuous R & D work has given credence to SEDL.</p>
Expenditure on Research & Development, if any
That expenses incurred on R&D of each project is booked under cost of that Project only
Details of machinery imported, if any
N.A.
Year of import
N.A.
Whether imported technology fully absorbed
N.A.

3. Foreign Exchange Earnings/ Outgo:

(Rupees in Million)

Particulars	2024-25	2023-24
Earnings in Foreign Exchange	3.27	980.80
Value of Imports calculated on CIF basis	1.21	111.78
Expenditure in Foreign Currency	0.33	65.25

RISK MANAGEMENT

The Risk Management Committee, formed by the Company ascertains the risks related to the Business of the Company, identifies the root causes and formulates the mitigation plans to control such risks.

The said Committee assists the Audit Committee and Board in overseeing that all the risks related to the business of the Company are properly identified & assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

PARTICULARS OF LOANS, GUARANTEES GIVEN OR INVESTMENTS MADE

During the year, the Company has not given any loan, provided any guarantee or made any investment under Section 186 of the Companies Act, 2013.

The Company has not given any loan, investment, guarantee or security in excess of limit as provided in Section 186 of the Companies Act, 2013. Further, details of loans, guarantee or investments outstanding as on 31.03.2025 are as follows:

1) Outstanding Loans:

The Company has granted interest free unsecured loan to its wholly owned Subsidiary for General Corporate Purpose during last years. Details of the same is as below –

(Rupees in Million)

Particulars	2024-25	2023-24
SED Engineers & Fabricators Private Limited	0.00	0.00
Less: Provision for doubtful advances	0.00	0.00
	0.00	0.00

2) Investments:

No investment has been done during the FY 2024-25, the status of all investments as on 31.03.2025 is as follows:

(Rupees in Million)

Non-current investments	2024-25	2023-24
Trade investments (valued at cost unless stated otherwise) Unquoted equity instruments		
Investment in subsidiaries		
10,000 Equity shares of Rs.10 each fully paid-up in SED Engineers & Fabricators Private Limited	0.10	0.10
50,000 Equity shares of Rs.10 each fully paid-up in Sustainable Environment Developers Limited	0.50	0.50
Investment in associates		
25,000 Equity shares of Rs.10 each fully paid-up in IPRO Sugar Engineering Private Limited	0.25	0.25
Others		
3,00,000 Equity shares of Rs.100 each fully paid-up in Sri Saibaba Sugars Limited	30.00	30.00
(A)	30.85	30.85
Less: Provisions for diminution in value		
Unquoted Equity Instruments		
- SED Engineers & Fabricators Private Limited	0.10	0.10

- Sri Saibaba Sugars Limited	30.00	30.00
- IPRO Sugar Engineering Private Limited	0.25	0.25
Aggregate provision for diminution in value of investments (B)	30.35	30.35
Non-current investments (net) (A - B)	0.50	0.50

COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT AND PAYMENT OF REMUNERATION

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board has devised a policy, for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company.

The Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors, which shall be put on the Company's website at <https://www.sprayengineering.com>.

The salient features of the Company's Nomination and Remuneration Policy are furnished in **Annexure IV** to this report in terms of the proviso to Section 178(4)(c) of the Companies Act, 2013.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

The Board of the Company comprises of an optimum mix of Independent and Non- Independent Directors.

The following changes took place in the composition of the Board during the period under review:

- ❖ Mr. Arshdeep Kaur and Ms. Niveta Rampaul Sharma were appointed as Independent Directors of the Company w.e.f. 06.05.2024.
- ❖ Mr. Ashok Kumar has resigned from the position of Non-Executive Independent Director of the Company w.e.f. 22.06.2024.

The following changes have taken place in the composition of the Board since the closure of the financial year ended 31st March, 2025 till the date of this report.

- ❖ Mr. Tara Chand Meenia has resigned from the position of independent Director of the Company w.e.f. 22.04.2025.
- ❖ Mr. Prateek Verma has resigned from the office of Wholetime Director of the Company w.e.f. 22.05.2025.
- ❖ Mr. Vimarsh Verma was appointed as an additional Director of the Company w.e.f. 20.08.2025. The board recommends the regularization of appointment of Mr. Vimarsh Verma as Director of the company at the ensuing Annual General Meeting
- ❖ Mr. Vivek Verma is liable to retire by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. The Board further recommends his appointment and re-designation as Managing Director of the Company at the ensuing Annual General Meeting.

None of the Directors of the Company are disqualified from being appointed as directors as specified in Section 164(2) of the Companies Act, 2013. The composition of the Board of Directors of the Company as on date of report is as under:

S. No.	Name of Director	DIN/PAN	Designation	Date of original Appointment
1	Mr. Vivek Verma	00032970	Managing Director	06.12.2004
2	Mr. Vimarsh Verma	11030760	Additional Director	20.08.2025
3	Mr. Shridhar Venkatesh	00025040	Nominee Director	26.04.2017
4	Ms. Niveta Sharma	08056816	Independent Director	06.05.2024
5	Ms. Arshdeep Kaur	08056826	Independent Director	06.05.2024

Key Managerial Personnel

During the period under review, Mr. Manoj Gupta stepped down from the position of Chief Financial officer of the Company w.e.f. 31.08.2025 and the casual vacancy arising on account of his resignation was duly filled with the appointment of Mr. Jitendar Kumar w.e.f. 07.09.2025.

The composition of the Key Managerial Personnel of the Company as on 31st March, 2025 is as under:

- | | | |
|----|--------------------|--|
| 1. | Mr. Vivek Verma | Managing Director |
| 2. | Mr. Prateek Verma* | Wholetime Director |
| 3. | Mr. Jitendar Kumar | Chief Financial Officer |
| 4. | Mr. Rinkal Goyal | Company Secretary and Chief Compliance Officer |

*Mr. Prateek Verma has resigned from the position of Wholetime Director w.e.f. 22.05.2025.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all the Independent Directors of the Company, pursuant to the provision of Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence as prescribed under the Act.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

Nine (9) meetings of the Board of Directors were held during the financial year 2024-25. The meetings were held on 12.04.2024, 16.05.2024, 26.08.2024, 07.09.2024, 09.09.2024, 17.09.2024, 08.10.2024, 04.02.2025 and 25.03.2025.

Attendance of Directors at the Board Meetings held during the financial year 2024-25 and at the last Annual General Meeting (AGM) held on September 30, 2024, and the number of directorships (as per the provisions of Section 165 of the Act), held by the Directors as on March 31, 2025, were as under:

Name of the Director	Board Meetings held during the year	Eligibility	Board Meetings attended	Attendance at the previous AGM	Number of directorship (including SEDL)
Mr. Vivek Verma	9	9	9	Yes	4
Mr. Prateek Verma*	9	9	9	Yes	4
Mr. Shridhar Venkatesh	9	9	7	No	4
Mr. Tara Chand Meenia**	9	9	9	Yes	1
Mr. Ashok Kumar	9	2	2	No	1
Arshdeep Kaur	9	8	8	Yes	4
Niveta Rampaul Sharma	9	8	8	Yes	7

Note: The gap between meetings was within the period prescribed under the Companies Act, 2013 and Secretarial Standard -1.

*Mr. Prateek Verma has resigned from the position of Wholetime Director w.e.f. 22.05.2025.

**Mr. Tara Chand Meenia has resigned from the position of Independent Director w.e.f. 22.04.2025.

AUDIT COMMITTEE

Two (02) meetings of the Audit Committee were held during the financial year 2024-25. The meetings were held on 26.08.2024 and 07.09.2024.

The attendance of the members of Audit Committee during the financial year 2024-25 was as follows:

Name of the Director	Designation	Meetings held during the year	Eligibility	Meetings attended
Mr. Tara Chand Meenia*	Independent Director	2	2	2
Arshdeep Kaur	Independent Director	2	2	2
Niveta Sharma	Independent Director	2	2	2

All the members of Audit Committee are non-executive Directors.

*Mr. Tara Chand Meenia has resigned from the position of Independent Director of the Company w.e.f. 22.04.2025.

VIGIL MECHANISM

The Company has in place a "Whistle Blower Policy" under Vigil Mechanism to enable the Directors and Employees to report their genuine concerns and grievances to the Ethics Committee of the Company.

Pursuant to the said policy, Directors and Employees of the Company can raise their concerns relating to fraud, malpractice and any other activity or event which is against the interest of the Company. The whistle blower may also directly approach the Chairperson of the Audit Committee, in exceptional circumstances. The Company has provided adequate safeguards against victimization of employees and directors who express their concerns. The Policy is available on the website of the Company at <https://www.sprayengineering.com>.

INTERNAL FINANCIAL CONTROLS

Your Company has adequate internal financial controls mechanism to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. Such controls were duly tested during the financial year 2024-25 and no material reportable weakness in the design or operation was observed.

NOMINATION AND REMUNERATION COMMITTEE

One (01) meeting held on April 12, 2024 of the Nomination and Remuneration Committee during the financial year 2024-25.

The attendance of Members of the Nomination and Remuneration Committee during the financial year 2024-25 was as follows:

Name of the Director	Designation	Meetings held during the year	Eligibility	Meetings attended
Mr. Tara Chand Meenia	Independent Director	1	1	1
Mr. Ashok Kumar*	Independent Director	1	1	1
Mr. Shridhar Venkatesh	Nominee Director	1	1	1

Note: All the members of the Nomination and Remuneration Committee are non-executive Directors.

* Mr. Ashok Kumar resigned from the position of Independent Director of the Company w.e.f. 22.06.2024

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

One (01) meeting held on August 26, 2024 of the CSR Committee during the FY 2024-25.

The attendance of Members of the CSR Committee during the financial year 2024-25 was as follows:

Name of the Director	Designation	Meetings held during the year	Eligibility	Meetings Attended
Mr. Vivek Verma	Managing Director	1	1	1
Mr. Tara Chand Meenia	Independent Director	1	1	1
Mr. Shridhar Venkatesh	Nominee Director	1	1	1

ANNUAL PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

The Board carried out an annual performance evaluation of its own performance and that of its committees and individual directors as per the evaluation mechanism adopted by the Board. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The exercise of performance evaluation was carried out through a structured evaluation process covering various aspects of the Board functioning, such as composition of the Board and committees, experience and competencies, performance of specific duties and obligations, contribution at the meetings and otherwise, independent judgment, governance issues, etc.

The Company's Independent Directors meet at least once in every financial year without the attendance of Non-Independent Directors and Members of management. One such meeting of the Independent Directors was held on August 26, 2024, which was attended by all the Independent Directors. The Independent Directors reviewed the performance of the Board as a whole and that of the Non-Independent Directors and also assessed the quality, quantity and timeliness of flow of information in the organization/between the Company management and the Board. Through the evaluation process, the performance and effective functioning of the Board and that of Non-Independent Directors was reviewed.

STATUTORY AUDITORS AND THEIR REPORT

Pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s Ashwani K. Gupta & Associates, Chartered Accountants, Panchkula, was appointed as Statutory Auditor by the members of the Company in their 17th Annual General Meeting held on October 20, 2021, for a term of five consecutive years to hold office from the conclusion of 17th Annual General Meeting till the conclusion of 22nd Annual General Meeting.

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report for the financial year 2024-25. The comments of the Auditors in their Report and the notes forming part of the Accounts are self-explanatory.

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

The Board of Directors in their meeting held on September 07, 2024 appointed M/s A. Arora & Co., Company Secretaries and Insolvency Professionals, as Secretarial Auditors for the financial year 2024-25.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s A. Arora & Co., Company Secretaries and Insolvency Professionals, performed the Secretarial Audit of the Company.

There were no qualifications, reservations or adverse remarks made by Secretarial Auditors in their report for the financial year 2024-25. The Secretarial Auditor reported that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, standards etc.

The Secretarial Audit Report for the financial year 2024-25 is annexed as “**Annexure V**” to this Report.

COST AUDITORS AND COST AUDIT REPORT

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company, at their meeting held on August 26, 2024, has appointed M/s. Balwinder & Associates, Cost Accountants to perform the Cost Audit of the Company for the financial year 2024-25.

There were no qualifications, reservations or adverse remarks made by Cost Auditors in their report for the financial year 2024-25.

DETAILS IN RESPECT OF ANY FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013

During the year under review, the Statutory Auditors and Secretarial Auditor of your Company have not reported any instances of fraud committed in your Company by Company's officers or employees, to the Audit Committee, as required under Section 143(12) of the Act.

PARTICULARS OF EMPLOYEES

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

DISCLOSURE UNDER 'THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013'

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace. In line with the POSH Act, an Internal Committee (IC) has been constituted to investigate/ redress grievances relating to sexual harassment.

The Company remains committed to provide and promote a healthy culture and congenial working environment for all its employees especially for women that enables them to work without fear of prejudice, gender bias and sexual harassment.

The summary of the complaints received and disposed of during the financial year 2024-25 is as under:

a)	No. of Complaints received	:	Nil
b)	No. of Complaints disposed	:	Nil
c)	Complaint under investigation	:	Nil

In the financial year 2024-25, a total of 4 (four) workshops/awareness sessions were conducted for 225 employees of the Company.

PROCEEDINGS PENDING UNDER IBC, 2016

There is no application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2024-25.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the period under review, there were no significant and material orders passed by the regulators/courts/tribunals which may have impacted the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT

According to the provisions of Section 134(5) of the Companies Act 2013, the Board of Directors to the best of their knowledge and ability confirm that:

- a) In the preparation of the annual accounts for the financial year ended March 31, 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025, and of the profit and loss of the Company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a 'going concern' basis; and
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

The Board of Directors confirms, to the best of their knowledge and ability that the Company has complied with the requirements of Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board Meetings and General Meetings.

STATEMENT OF COMPLIANCE WITH THE PROVISIONS OF MATERNITY BENEFIT ACT, 1961

The Company affirms that it has complied with the provisions of Maternity Benefit Act, 1961 and has extended benefits under the Act to the eligible women employees during the year.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation for assistance and co-operation received from Employees, Bankers, Vendors, Financial Institutions, Clients, Customers, and especially from the Shareholders of the Company during the financial year 2024-25.

**On behalf of Board of Directors
For Spray Engineering Devices Limited**

Sd/-	Sd/-
(Vivek Verma)	(Vimarsh Verma)
(Managing Director)	(Director)
DIN: 00032970	DIN: 11030760
{(House No. 485, Sector 8, Panchkula (Haryana))}	

**Place: Chandigarh
Date: 07.10.2025**

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with Rupees in Millions)

Sr. No.	Particulars	Details	
1.	Name of the subsidiary	SED Engineers & Fabricators (P.) Ltd.	Sustainable Environment Developers Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA
4.	Share capital	0.10	0.50
5.	Reserves & surplus	(81.88)	4.34
6.	Total assets	34.19	7.78
7.	Total Liabilities	115.97	2.94
8.	Investments	0.00	0.00
9.	Turnover	224.44	4.73
10.	Other Income	0.00	0.06
	Total Revenue	224.44	4.79
11.	Profit before taxation	3.90	0.49
12.	Provision for taxation	0.93	0.12
13.	Profit after taxation	2.97	0.37
14.	Proposed Dividend	NIL	NIL
15.	% of shareholding	100%	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: - N.A
- Names of subsidiaries which have been liquidated or sold during the year: N.A

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Particulars	Details
1.	Name of associates/Joint Ventures	I PRO SUGAR ENGINEERING PRIVATE LIMITED
2.	Latest audited Balance Sheet Date	31.03.2025
3.	Shares of Associate/Joint Ventures held by the company on the year end:	
	No's.	25,000
	Amount of Investment in Associates/Joint Venture	2,50,000/-
	Extend of Holding%	50%
4.	Description of how there is significant influence	NA
5.	Reason why the associate/joint venture is not consolidated	NA
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet	NA
7.	Profit / Loss for the year	NA
	i. Considered in Consolidation	NA
	ii. Not Considered in Consolidation	NA

**On behalf of Board of Directors
For Spray Engineering Devices Limited**

Sd/- (Vivek Verma) (Managing Director) DIN: 00032970 {(House No. 485, Sector 8, Panchkula (Haryana))}	Sd/- (Vimarsh Verma) (Director) DIN: 11030760
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Place: Chandigarh
Date: 07.10.2025

**THE ANNUAL REPORT ON CSR ACTIVITIES
FOR THE FINANCIAL YEAR 2024-25**

1. A Brief Outline on Corporate Social Responsibility (CSR) Policy of the Company:

SEDL's CSR Policy is aimed at helping the community through its focus on Work Force development, Education/Promoting or enhancing Literacy levels, sanitation and creating awareness of general hygiene, providing health care services to the needy, promotion of healthy lifestyle, energy conservation etc. The SEDL's CSR policy is framed to cover activities, projects and programs for the primary benefit of the underprivileged segment of society. During the financial year 2024-25, various CSR activities were undertaken by the Company directly or through implementing agency.

The CSR Policy of the Company has been framed in consonance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 including amendments thereof under Section 135 of the Companies Act, 2013. During the financial year 2024-25, various CSR activities were undertaken by the Company including promoting education/ healthcare such as support to Government hospitals, scholarships, effective education for students, providing support to people with disability, public library upgradation etc.

2. Composition of the CSR Committee as on March 31, 2025:

Sl. No.	Name of Directors	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Vivek Verma	Member (Managing Director)	1	1
2.	Tara Chand Meenia	Member (Independent Director)	1	1
3.	Shridhar Venkatesh	Member (Nominee Director)	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. **The Composition of CSR committee, CSR Projects and the contents of CSR policy approved by the Board of the Company, shall be uploaded on the Company's website www.sprayengineering.com**
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. **Not Applicable**
5. (a) Average net profit of the company as per sub-section (5) of section 135. **₹ 45,23,95,917/-**
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135. **₹ 90,47,918.34/-**
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. **NIL**
- (d) Amount required to be set-off for the financial year, if any. **NIL**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]. **₹ 90,47,918.34/-**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). **₹ 90,50,000/-**
- (b) Amount spent in Administrative Overheads. **0**
- (c) Amount spent on Impact Assessment, if applicable. **0**
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. **₹ 90,50,000/-**
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (In ₹.)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
90,50,000	0.00	N.A.	Not Applicable		

(f) Excess amount for set-off, if any: **NIL**

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: N.A.**

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes

No

If Yes, enter the number of Capital assets created/ acquired

N.A.

**On the behalf of Board of Directors
For Spray Engineering Devices Limited**

Sd/- (Vivek Verma)
(Managing Director)
DIN: 00032970
{(House No. 485, Sector 8, Panchkula (Haryana))}

Sd/- (Vimarsh Verma)
(Director)
DIN: 11030760

Place: Chandigarh
Date: 07.10.2025

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of Contracts or arrangements or transactions not at arm's length basis: Not Applicable

During the financial year 2024-25, there were no contracts or arrangements or transactions entered by the Company, which were not at arm's length basis.

2. Details of material Contracts or arrangements or transactions at arm's length basis:

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Sustainable Environment Developers Ltd., Subsidiary co.
b)	Nature of contracts/arrangements/transaction	Sale of services, Expenses incurred and reimbursed, Trade receivable
c)	Duration of the contracts/arrangements/transaction	12 Months
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Transactions at arms length basis in the ordinary course of business Sale of services Rs. 35.00 Lakhs Expenses incurred and reimbursed by the company for Rs. 12.70 Lakhs Trade Receivable of Rs. 26.8 Lakhs
e)	Date of approval by the Board	N.A.
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	SED Engineers & Fabricators Private Limited, Subsidiary co.
b)	Nature of contracts/arrangements/transaction	Sale of Goods, Sale of services, Expenses incurred and reimbursed, Trade receivable
c)	Duration of the contracts/arrangements/transaction	12 Months
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Transactions at arms length basis in the ordinary course of business Sale of goods Rs. 2044.8 Lakhs Sale of services Rs. 159.3 Lakhs Expenses incurred and reimbursed by the company for Rs. 1.00 Lakhs

		Trade Receivable of Rs. 313.1 Lakhs
e)	Date of approval by the Board	N.A.
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vimarsh Verma, Family member of KMP
b)	Nature of contracts/arrangements/transaction	Transactions at arm's length basis in the ordinary course of business Remuneration
c)	Duration of the contracts/arrangements/transaction	12 Months
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Remuneration of Rs. 26.3 Lakhs p.a.
e)	Date of approval by the Board	N.A.
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Mamta Verma, Family member of KMP
b)	Nature of contracts/arrangements/transaction	Transactions at arm's length basis in the ordinary course of business Remuneration
c)	Duration of the contracts/arrangements/transaction	12 Months
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Remuneration of Rs. 18.4 Lakhs p.a.
e)	Date of approval by the Board	N.A.
f)	Amount paid as advances, if any	Nil

**On the behalf of Board of Directors
For Spray Engineering Devices Limited**

Sd/-
(Vivek Verma)
(Managing Director)
DIN: 00032970
{{(House No. 485, Sector 8, Panchkula (Haryana))}

Sd/-
(Vimarsh Verma)
(Director)
DIN: 11030760

Place: Chandigarh
Date: 07.10.2025

SALIENT FEATURES OF NOMINATION AND REMUNERATION POLICY

Objectives: The policy aims at achieving the specific objectives such as to attract highly competent talent to sustain and grow the Company's business; to build a high-performance culture by aligning individual performance with business objectives and infusing performance differentiation and to motivate and retain high performers and critical talent at all levels of the organization.

Scope and coverage: The policy covers Directors, Key Managerial Personnel and Senior Management of the Company.

Key terms of the policy include:

The Whole time Directors / Managing Director/ Non-Executive Directors may be paid sitting fees for attending the meetings of the Board and its committees of which they may be members, and commission within the regulatory limits as approved by the shareholders. The Commission, if any for the respective financial year be recommended by the Nomination and Remuneration Committee and approved by the Board.

The break-up of the pay scale and quantum of perquisites etc. for the Executive Director, Manager, CEO, Top Management Cadre and Senior Management Personnel including Key Managerial Personnel (KMPs) shall be as the remuneration is divided into fixed and variable pay; Fixed portion comprises Base pay and Choice pay; the variable pay is based on the individual and business performance which is assessed through a robust annual performance appraisal process. Specific Board approval is required, in case of increment in remuneration of Executive Director/Manager/CEO.

The Nomination and Remuneration Policy shall be uploaded on the website of the Company.

The Link of the website is as follows: <https://www.sprayengineering.com>.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Spray Engineering Devices Limited,
S.C.O No. 107, 2nd Floor,
Sector 47-C, Chandigarh 160047

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SPRAY ENGINEERING DEVICES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the SPRAY ENGINEERING DEVICES LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SPRAY ENGINEERING DEVICES LIMITED ("the Company") for the financial year ended on March 31, 2025 under the provisions of below mentioned regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder- Not Applicable being an unlisted company.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company being an unlisted company:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
 - f) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021.
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
- i) The major provisions and requirements have also been complied with as prescribed under all applicable Labour and Industrial laws.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the applicable Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that:

1. The Board of Directors of the Company is constituted with Executive Directors, Non Executive Directors and Independent Director. The changes in the composition of the Board of directors during the audit period were carried out in compliance with the applicable regulations.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions are carried through majority while the dissenting members' views, if any, were captured and recorded as part of the minutes.
4. The Company has proper board processes.

Based on the compliance mechanism established by the Company and on the basis of the compliance certificate(s) issued by the Officers, I am of an opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

1. Inter alia other matters, the shareholders in the Extra Ordinary General meeting dated 06.05.2024 accorded their approvals for:
 - a. Delegation of authority to the Board to Directors under Section 180 (1) (c) of the Companies Act, 2013 to borrow money upto a limit of Rs. 500 Crores;
 - b. Delegation of authority to the Board of Directors under Section 180 (1)(a) of the Companies Act, 2013 to pledge/ mortgage/ create charges on the assets of the company.
 - c. Raising of capital through Initial Public Offer (IPO)
 - d. Issue of 25,09,642 equity shares of Rs. 10/- each at an issue price of Rs. 287/- per share on preferential issue basis.
2. The shareholders in the Extra ordinary General Meeting dated 20.09.2024, accorded approval for:
 - a. Alteration of the Memorandum of Association of the company to alter the Object Clause as per the provisions of Companies Act, 2013.
 - b. Adoption of new set of Articles of Association as per the provisions of the Companies Act, 2013.

I further report that, apart from the instances stated above, during the audit period, there were no instances of:

- (i) Public / Rights issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign Technical Collaborations.

Place : Chandigarh

Date :

UDIN:

For **A. ARORA & COMPANY**

AJAY K. ARORA

(Proprietor)

FCS No. 2191

C P No.: 993

Peer review Cert No. 2120/2022

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SPRAY ENGINEERING DEVICES LIMITED
Report on the Audit of the Ind-As Standalone Financial Statements Opinion

We have audited the accompanying standalone financial statements of **SPRAY ENGINEERING DEVICES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2025, 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 notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 Standalone 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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 financial controls that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income,

Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to Standalone Financial Statements.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note 35 to the Standalone Financial Statements.
 - ii. The Company has made provision as required under applicable law or accounting standards for material foreseeable losses. Refer Note 2.16 to the Standalone Financial Statements. The Company did not have any long-term derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received

by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and audit trail has been preserved by the company as per statutory requirements for record retention.

As required by the Companies (Auditor’s Report) Order, 2020 (the “Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Ashwani. K. Gupta & Associates
Chartered Accountants

(Firm’s Registration No. 003803N)
Paras Gupta
Partner
(Membership No.546125)
UDIN: 25546125BMKYTH6107

Date: 07 October 2025
Place: Mohali

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of SPRAY ENGINEERING DEVICES Limited of even date)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls with reference to Standalone Financial Statements of **SPRAY ENGINEERING DEVICES LIMITED** (the “Company”) as of March 31, 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Ashwani. K. Gupta & Associates
Chartered Accountants

(Firm's Registration No. 003803N)
Paras Gupta
Partner
(Membership No.546125)
UDIN: 25546125BMKYTH6107

Date: 07 October 2025

Place: Mohali

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SPRAY ENGINEERING DEVICES LIMITED of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of property, plant and equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment and right-of-use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventory has been physically verified at regular intervals during the year as explained to us. In our opinion, the frequency of such verification is reasonable. No material discrepancy was noticed on such physical verification.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company and external reports, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company and there is no material discrepancy noted as per our professional judgment.

- (iii) The Company during the year has not made any investment and not granted any unsecured loan or advances in the nature of loans or stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other entity during the year. Hence the clauses are not applicable to the company.
- (iv) The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties covered under Section 185 of the Act. With regards to investments in securities, guarantees and loans provided to other body corporates after enforcement of section 186 of the Act, The Company has complied with the provisions of Sections 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the cost records maintained by the Company, pursuant to the rules made by the Central Government U/s 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete

(vii) In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. However, there are slight delays in depositing Provident Fund and Employees' State Insurance.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ Millions
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2013-14	23.16

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information available and explanations given to us and the records given, the company has not defaulted in repayment of dues including any interest thereof, to any financial institution or Bank or Debenture Holders as at Balance sheet date.

- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The terms loans have been applied for the purpose which they were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans on the pledge of securities held in its subsidiaries, Joint ventures or associates during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
(b) The Company has made a private placement of 25,09,642 equity shares during the year in compliance with the requirements of Section 42 and Section 62 of the Act. Out of the total amounts raised during the year, majority of the amount has been utilised for the purpose for which such funds were raised and the balance unutilized amount shall be utilised in the next financial year.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
(c) No whistle blower complaints have been received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of

the Order is not applicable.

- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (“CSR”) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

For Ashwani. K. Gupta & Associates
Chartered Accountants

(Firm's Registration No. 003803N)
Paras Gupta
Partner
(Membership No.546125)
UDIN: 25546125BMKYTH6107

Date: 07 October 2025
Place: Mohali

Balance Sheet as at 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)*

Particulars	Notes	31 March 2025	31 March 2024
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment	3	880.28	761.00
(b) Right-of-use assets	4	148.69	27.08
(c) Intangible assets	3a	114.40	14.72
(d) Intangible assets under development	3b.1	19.67	-
(e) Capital work-in-progress	3b.2	112.96	131.93
(f) Financial assets			
(i) Investments	5	0.75	0.75
(ii) Loans		-	-
(iii) Trade receivables		-	-
(iv) Other financial assets	6	17.61	4.44
(g) Deferred tax assets (net)	7	-	-
(h) Other non-current assets	8	33.32	36.72
Total non-current assets		1,327.68	976.64
(2) Current Assets			
(a) Inventories	9	1,142.45	760.51
(b) Financial assets			
(i) Investments	10	5.29	4.10
(ii) Trade receivables	11	1,143.01	867.59
(iii) Cash and cash equivalents	12	19.33	1.43
(iv) Bank balance other than (iii) above	12	105.87	111.34
(v) Other financial assets	13	2.62	1.66
(c) Other current assets	15	442.89	291.16
Total current assets		2,861.46	2,037.79
TOTAL ASSETS		4,189.14	3,014.43
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	250.96	225.87
(b) Other Equity	17	1,807.66	1,018.58
Total Equity		2,058.62	1,244.45
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	177.17	209.93
(ia) Lease Liabilities	19	106.44	18.04
(b) Provisions	20	65.83	52.27
(c) Deferred tax liabilities (net)	7	33.73	31.50
Total non-current liabilities		383.17	311.74
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	621.14	542.60
(ia) Lease liabilities		27.49	4.28
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	22	78.07	52.06
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		328.26	489.99
(b) Other current liabilities	23	635.11	217.13
(c) Provisions	24	27.29	27.58
(d) Current tax liabilities (net)	14	29.99	124.60
Total current liabilities		1,747.35	1,458.24
TOTAL EQUITY AND LIABILITIES		4,189.14	3,014.43
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The accompanying notes form an integral part of the financial statements.

As per our report of even date

For Ashwani k Gupta & Associates

Chartered Accountants

FRN. 003803N

Sd/-

Paras Gupta

Partner

Membership No. 546125

UDIN: 25546125BMKYTH6107

Place: Mohali

Date: 07-10-2025

For and on behalf of the Board of Directors**Spray Engineering Devices Limited**

Sd/-

Vivek Verma

Managing Director

DIN: 00032970

Sd/-

Vimarsh Verma

Additional Director

DIN:11030760**Rinkal Goyal**

Company Secretary

Membership No. F11321

Statement of Profit and Loss for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Particulars	Notes	31 March 2025	31 March 2024
I Revenue from operations	25	4,604.44	5,468.42
II Other income	26	8.48	9.26
III Total Income (I+II)		4,612.92	5,477.68
IV Expenses			
Cost of Material Consumed	27	3,023.35	3,405.82
Purchase of stock in trade	28	-	-
(Increase)/Decrease in inventories of finished goods,stock-in-trade and WIP	29	(117.03)	62.00
Employee benefit expense	30	538.48	464.32
Finance Costs	31	114.44	98.89
Depreciation and amortization expense	32	76.14	49.30
Other expenses	33	776.35	655.76
Total Expenses (IV)		4,411.73	4,736.09
V Profit/(Loss) before exceptional items (III-IV)		201.19	741.59
VI Exceptional items			
VII Profit/(Loss) before tax (V-VI)		201.19	741.59
VIII Tax Expense			
(1) Current Tax		48.96	150.92
(2) Deferred Tax		3.13	60.61
Taxation of earlier years		2.25	-
Total Tax Expense		54.34	211.53
IX Profit/(Loss) for the year from continuing operations (VII-VIII)		146.85	530.06
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(3.63)	(6.08)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.91	(1.77)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other comprehensive income(Loss)		(2.72)	(7.85)
XI Total comprehensive income (IX+X)(Comprising Profit/(Loss) and other comprehensive income(loss) for the year		144.13	522.21
XII Earning per equity share of ₹ 10/- each	34		
Basic (in ₹)		5.82	23.12
Diluted (in ₹)		5.82	23.12

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

As per our report of even date

For Ashwani k Gupta & Associates

Chartered Accountants
FRN. 003803N

Sd/-

Paras Gupta

Partner

Membership No. 546125

UDIN: 25546125BMKYTH6107

**For and on behalf of the Board of Directors of
Spray Engineering Devices Limited**

Sd-

Vivek Verma

Managing Director

DIN : 00032970

Sd/-

Vimarsh Verma

Additional Director

DIN:11030760

Place: Mohali

Date:07-10-2025

Rinkal Goyal

Company Secretary

Membership No. F11321

SPRAY ENGINEERING DEVICES LIMITED

CIN-U00000CH2004PLC027625

Statement of Cash Flows for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Particulars	31 March 2025	31 March 2024
(A) Cash flow from operating activities		
Profit/(Loss) before tax	197.56	735.50
Adjustments for:		
- Depreciation/amortization	76.14	49.30
- Bad debts written off	-	30.18
- (Gain)/Loss on sale of property, plant & equipment	(0.16)	-
- (Gain)/Loss on Fair Valuation of Investments	(0.20)	(0.99)
- Finance cost	114.44	98.89
- Interest income	(6.83)	(7.00)
- Other Appropriations	-	-
Operating profit before working capital changes	380.96	905.88
Movements in working capital :		
- Increase/(decrease) in trade payables	(135.72)	148.02
- Increase/(decrease) in other current liabilities and provisions	431.25	(576.16)
- Decrease/(increase) in trade receivables	(275.42)	(301.78)
- Decrease/(increase) in inventories	(381.93)	18.42
- Decrease/(increase) in other current/non-current assets	(162.46)	65.63
Cash generated from/(used in) operations	(143.32)	260.01
- Income tax paid (net of refunds)	(145.82)	(70.13)
Net cash flow from/(used in) operating activities (A)	(289.14)	189.88
(B) Cash flows from investing activities		
- Purchase of PPE including capital work-in-progress and intangible assets	(279.86)	(301.03)
- (Increase)/decrease in other bank balances	5.47	17.16
- Proceeds from sale of property, plant and equipment	2.29	-
- Interest income	6.83	7.00
- (Increase)/decrease in Investments	(1.00)	(1.01)
- (Increase)/Derecognition of ROU Assets	(139.69)	-
Net cash flow from/(used in) investing activities (B)	(405.96)	(277.88)
(C) Cash flows from financing activities		
- Proceed from issue of shares	670.05	0.00
- Proceeds/(repayment) of long-term borrowings	76.49	0.19
- Proceeds/(repayment) of short-term borrowings	80.91	175.46
- Finance cost	(114.44)	(98.89)
Net cash flow from/(used in) in financing activities (C)	713.01	76.76
Net increase/(decrease) in cash and cash equivalents (A + B + C)	17.90	(11.24)
Cash and cash equivalents at the beginning of the year	1.43	12.67
Cash and cash equivalents at the end of the year	19.33	1.43
Components of cash and cash equivalents		
- Cash on hand (refer note 12)	0.18	0.10
- On Current account (refer note 12)	19.15	1.33
Cash and cash equivalents	19.33	1.43

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

As per our report of even date

For Ashwani k Gupta & Associates

Chartered Accountants

FRN. 003803N

Sd/-

Paras Gupta

Partner

Membership No. 546125

UDIN: 25546125BMKYTH6107

For and on behalf of the Board of Directors

Spray Engineering Devices Limited

Sd/-

Vivek Verma

Managing Director

DIN: 00032970

Sd/-

Vimarsh Verma

Additional Director

DIN:11030760

Place: Mohali

Date: 07-10-2025

Rinkal Goyal

Company Secretary

Membership No. F11321

SPRAY ENGINEERING DEVICES LIMITED

N-U00000CH2004PLC027625

Statement of Changes in Equity for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

A. Equity share capital

Particulars	31 March 2025		31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	2,25,86,781	225.87	22586781	225.87
Changes during the year	25,09,642	25.10	-	-
Balance at the end of the year	2,50,96,423	250.96	22586781	225.87

B. Other equity (refer note 17)

Particulars	Securities Premium	Retained earnings	Total
Balance as at 01 April 2022	613.01	(456.40)	156.61
Add : Profit for the year	-	343.48	343.48
Add : Other comprehensive income (loss) for the year	-	(3.72)	(3.72)
Balance as at 31 March 2023	613.01	(116.64)	496.37
Balance as at 01 April 2023	613.01	(116.64)	496.37
Add : Addition during the year	-	-	-
Less: Utilised during the year	-	-	-
Add : Profit for the year	-	530.06	530.06
Add : Other comprehensive income (loss) for the year	-	(7.85)	(7.85)
Balance as at 31 March 2024	613.01	405.57	1,018.58
Balance as at 01 April 2024	613.01	405.57	1,018.58
Add : Addition during the year	695.17	-	695.17
Less: Utilised during the year	50.22	-	50.22
Add : Profit for the year	-	146.85	146.85
Add : Other comprehensive income (loss) for the year	-	(2.72)	(2.72)
Balance as at 31 March 2025	1257.96	549.70	1,807.65

Corporate information 1
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 The accompanying notes form an integral part of the financial statements.
As per our report of even date

For Ashwani k Gupta & Associates

Chartered Accountants
 FRN. 003803N

Sd/-

Paras Gupta

Partner

UDIN: 25546125BMKYTH6107

For and on behalf of the Board of Directors

Spray Engineering Devices Limited

Sd/-

Vivek Verma

Managing Director

Sd/-

Vimarsh Verma

Additional Director

Rinkal Goyal

Company Secretary
 Membership No.
 F11321

Place: Mohali
Date: 07-10-2025

1 Corporate Information

Spray Engineering Devices Limited ('SEDL' or 'the company') is a public limited company domiciled in India and incorporated under the provisions of Indian Companies Act. The company's registered office is at Plot No. 25, Industrial Area, Phase – II, Chandigarh -160002, India and its corporate office is at Plot No. C-82, Industrial Area, Phase -VII, Mohali – 16055, Punjab, India. The Company is an "Innovative Technological Solutions" provider of manufacturing Equipment for Sugar & Allied Industries and Zero Liquid Discharge (ZLD) solution for Wastewater from two decades, specialized in Vaporization, Condensation, Evaporation, Heat Exchange, Crystallization and Sugar Refining.

The Company caters to both domestic and international markets. Further, the Company also provides design and engineering services.

2 Material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Companies Act, 2013 and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2025 were approved for issue by the Company's Board of Directors on October 7, 2025.

Function and presentation currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest millions, up to two places of decimal, unless otherwise indicated.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on alternative basis on each reporting date:

Items	Measurement basis
Derivative financial instruments at fair value through profit or loss	Fair value
Certain non-derivative financial instruments at fair value through profit or loss and fair value through other comprehensive income	Fair value
Defined benefit plan assets	Fair value
Equity settled share-based payment transactions	Grant date Fair value

(b) Use of estimates and judgements

In preparation of the financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

Detailed information about each of these estimates and judgements is included in relevant notes.

The areas involving critical estimates and judgements are:

- Estimation of current tax expense and payable
- Estimation of defined benefit obligation
- Recognition of revenue
- Recognition of deferred tax assets for carried forward tax losses
- Impairment of trade receivables

(c) Current versus non-current classification

The Company presents assets and liabilities in the financial statements based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

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.

2.2 Property, plant and equipment

• **Recognition and measurement**

Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under 'Other non-current assets'.

• **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow

to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day- to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as incurred.

- **Disposal**

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Net gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/ expenses in the statement of profit and loss.

- **Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the company based on technical evaluation. Freehold land is not depreciated.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Useful life (in years)
Buildings	30-60
Plant and Machinery	7.5-15
Computers and office equipment	3-5
Motor Vehicles	8
Furniture and fixtures	10

2.3 Intangible assets

- **Recognition and measurement**

Intangible assets are recognized when the asset is identifiable, is within the control of the company, it is probable that the future economic benefits that are attributable to the asset will flow to the company and cost of the asset can be reliably measured.

Expenditure on research activities is recognized in the statement of profit and loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the company intends to and has sufficient resources to complete development and to use or sell the asset.

Intangible assets acquired by the company that have finite useful lives are measured at cost less

accumulated amortization and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

- **Subsequent measurement**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

- **Amortization**

Amortization is calculated on the cost of the asset, or other amount substituted for cost, less its residual value. Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for current and comparative periods are as follows:

Assets	Useful life (in years)
Software	3
Patents, Technical know-how	5-10

2.4 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property.

Investment property is initially measured at cost, including related transaction costs. The cost of investment property includes its purchase price and directly attributable expenditure, if any. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

After the initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation on investment property has been provided in a manner that amortizes the cost of the assets over their estimated useful lives on straight line method as per the useful life prescribed under Schedule II to the Act. Investment property in the form of land is not depreciated.

Investment property is derecognized either when it is disposed off or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit and loss in the period of derecognition.

2.5 Impairment of non-financial assets

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where 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 considered.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.6 Inventories

Raw materials, components, stores and spares, work-in-progress and finished goods are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of raw materials, components, stores and spares comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and

fixed overhead expenditure, the latter being allocated based on normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory based on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.7 Cash and cash equivalents

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

2.8 Revenue recognition

Revenue is recognized when performance obligation is satisfied by transferring control of promised goods or services and to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the transaction price (consideration) allocated to performance obligation adjusted for returns, trade allowances, rebates, and excludes taxes collected from customer on behalf of government and amounts collected on behalf of third parties.

- **Contract revenue**

Revenue from fixed price contracts is recognized over time, when the outcome of the contract can be estimated reliably by reference to the percentage of completion of the contract on the reporting date under input method. Percentage of completion is determined as a proportion of costs incurred-to-date to the total estimated contract costs. In respect of process technology and design and engineering contracts percentage of completion is measured with reference to the milestones specified in the contract, which in the view of the management reflects the work performed and to the extent it is reasonably certain of recovery.

Contract costs include costs that relate directly to the specific contract and costs that are attributable to the contract activity and allocable to the contract. Costs that cannot be attributed to contract activity are expensed when incurred.

When the final outcome of a contract cannot be reliably estimated, contract revenue is recognized only to the extent of costs incurred that are expected to be recoverable. The provision for expected loss is recognized immediately when it is probable that the total estimated contract costs will exceed total contract revenue.

Variations, claims and incentives are recognized as a part of contract revenue to the extent it is probable that they will result in revenue and are capable of being reliably measured.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the company, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project/ activity and the foreseeable losses to completion.

Execution of contracts necessarily extends beyond accounting periods. Revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known.

- **Sale of goods and rendering of services**

Revenue from sale of goods in the course of ordinary activities is recognized when control of goods is transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

Revenue from services is recognized as and when the related services are performed.

2.9 Other Income

Interest income

Interest income from debt instruments is recognized using effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability.

Dividends

Dividends are recognized in the statement of profit and loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount can be measured reliably.

Export benefits

Export benefits in the form of Duty Draw Back/ Merchandise Exports Incentive Scheme (MEIS)/ Service Exports Incentive Scheme (SEIS) claims are recognized in the statement of profit and loss on receipt basis.

2.10 Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period, are translated at the closing exchange rates and the resultant exchange differences are recognized in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

2.11 Employee benefits

- **Short-term employee benefit**

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognized in the period in which the employee renders the related service.

- **Post-employment benefits**

Defined contribution plans

Contributions to the provident fund, pension scheme, employee state insurance scheme and superannuation fund, which are defined contribution schemes, are recognized as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due.

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In the case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognized immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognizes gains/ losses on settlement of a defined plan when the settlement occurs.

Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognized in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Termination benefits

Termination benefits are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are stated at their present fair value.

2.12 Share-based payments

The grant fair value of equity settled share-based payment awards granted to employees is recognized as employee benefit expense with corresponding increase in equity. The total expense is recognized over the vesting period, which is the period over which all the specified vesting conditions are required to be satisfied. At the end of each reporting period, the company revises its estimates of the number of options that are expected to vest based on the service and non-vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

2.13 Leases

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration.

a. Company as a Lessee

A lessee is required to recognize assets and liabilities for all leases and to recognize depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss. The Company uses the practical expedient to apply the requirements of Ind as 116 - Leases to a portfolio of leases with similar characteristics if the effects on the financial statements of applying

to the portfolio does not differ materially from applying the requirement to the individual leases within that portfolio.

However, according to Ind AS 116, the Company has elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value. The lease payments associated with these leases are generally recognized as an expense on a straight-line basis over the lease term or another systematic basis if appropriate.

a.1 Right -of -use asset

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

a.2 Lease liability

Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

b. Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalized within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognized in the Statement of profit and Loss on a straight-line basis over the term of the lease.

Critical accounting estimates and judgements

Critical judgements required in the application of Ind AS 116 may include, inter-alia, the following:

Identifying whether a contract (or part of a contract) includes a lease;

Determining whether it is reasonably certain that an extension or termination option will be exercised;

Classification of lease agreements (when the entity is a lessor);

Determination of whether variable payments are in-substance fixed;

Establishing whether there are multiple leases in an arrangement.

Determining the stand-alone selling prices of lease and non-lease components.

Key sources of estimation uncertainty in the application of Ind AS 116 may include, inter-alia, the following:

Estimation of the lease term;

Determination of the appropriate rate to discount the lease payments;
Assessment of whether a right-of-use asset is impaired.

2.14 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

2.15 Income tax

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

- **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid /payable to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at 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 tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

In situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Minimum Alternate Tax ('MAT') under the provisions of the Income -tax Act,1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. MAT credit entitlement at year end is grouped with Deferred Tax Asset (net)in the Balance Sheet of an entity.

2.16 Provisions, Contingent Liabilities and Contingent assets

A provision is recognized when the company has a present obligation (legal or constructive) as a result of a 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 net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the statement of profit and loss.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Contingent liability is disclosed when there is:

- a present obligation arising from past events, but it is not probable that an outflow of resources will be required to settle the obligation.
- present obligation arising from past events, when no reliable estimate is possible

- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are not recognized in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable.

Contingent liabilities and contingent assets are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.17 Earnings per share (EPS)

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period/ year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/ year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period/ year attributable to equity shareholders and the weighted average number of shares outstanding during the period/ year are adjusted for the effects of all dilutive potential equity shares.

2.18 Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company. 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 considers 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.

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

- 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.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.19 Financial instruments

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

Financial assets**Classification**

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss);
- those measured at amortized cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

The company classifies debt investments when and only when its business model for managing those assets changes.

Measurement

All financial assets are initially measured at fair value except trade receivables, as the trade receivables does not contain significant financing component they are initially measured at transaction price. In case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are satisfied:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using effective interest rate (EIR) method.

Debt instruments at fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVTOCI. The movements in the carrying amount are recognized through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gain or losses which are recognized in the statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss and recognized in other gains/ losses. Interest income from these financial assets is included in other income using EIR method.

Debt instruments at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognized in the statement of profit and loss within other gains/ losses in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

All equity investments falling within the definition of "Financial Instruments" as defined in 'Ind AS 109 - Financial instruments' are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to recognize subsequent changes in the fair value in OCI. 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 OCI. There is no re-classification of the amounts from OCI to the statement of profit and loss, even on sale of equity instrument.

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

Derecognition

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial assets.

Impairment of financial assets

The company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the assets carried at amortized cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by 'Ind AS 109 - Financial instruments', which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Non-derivative financial liabilities**Recognition**

The company initially recognizes borrowings, trade payables and related financial liabilities on the date on which they originated.

All other financial instruments (including regular-way purchases and sales of financial assets) are recognized on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

Measurement

Non-derivative financial liabilities are initially recognized at fair value, net of transaction costs incurred. After initial recognition, these liabilities are measured at amortized cost using EIR method.

Derecognition

A financial liability is derecognized 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 recognized in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts are recognized as financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with 'Ind AS 37 - Provisions, contingent liabilities and contingent assets' and the amount initially recognized less cumulative amortization, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.20 Cash dividend to equity holders

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized, and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.21 Government grant

Government grants are recognized at their fair value when there is a reasonable assurance that the grant will be received, and company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are initially recognized as deferred income at fair value and subsequently recognized in the statement of profit and loss on a systematic basis over the useful life of the asset.

2.22 Research & Development Costs

The Company classifies R&D activities into research and development phases in accordance with Ind AS 38.

- **Research costs** are expensed as incurred, as they do not meet the criteria for asset recognition.
- **Development costs** are capitalized only when all recognition criteria under Ind AS 38.57 are met, including technical feasibility, intention and ability to complete, probable future economic benefits, availability of resources, and reliable measurement of costs.

Capitalized development costs are presented as intangible assets and amortized on a straight-line basis over their estimated useful life of 5 years. The carrying value is reviewed annually for impairment in accordance with Ind AS 36.

2.23 Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

SPRAY ENGINEERING DEVICES LIMITED

CIN-U00000CH2004PLC027625

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Note 3: Property, Plant and Equipment (PPE)

Particulars	Freehold Land	Factory Buildings	Office Building	Plant & Machinery	Furniture & Fixtures	Computer & Data Processing Units	Office Equipments	Motor Vehicles	Total
Gross carrying value as of 01 April 2024	32.38	224.17	257.61	532.67	27.59	30.26	21.67	44.89	1,171.24
Additions	-	52.94	-	94.59	-	3.76	5.60	11.40	168.29
Disposals	-	-	-	2.25	-	-	-	0.41	2.66
Gross carrying value as of 31 March 2025	32.38	277.11	257.61	625.01	27.59	34.02	27.27	55.88	1,336.87
Accumulated depreciation as of 01 April 2024	-	109.54	5.42	223.23	15.84	21.59	16.71	17.91	410.24
Depreciation charge for the year	-	7.92	4.08	21.90	1.36	4.46	1.84	5.32	46.88
Disposals	-	-	-	0.13	-	-	-	0.40	0.53
Accumulated depreciation as of 31 March 2025	-	117.46	9.50	245.00	17.20	26.05	18.55	22.83	456.59
Net Carrying value as of 31 March 2025	32.38	159.65	248.11	380.01	10.39	7.97	8.72	33.05	880.28

Note 3a: Intangible assets

Particulars	Package & software	Patent, Drawing & Copyrights	Total
Gross carrying value as of 01 April 2024	79.33	10.97	90.30
Additions	1.47	109.40	110.87
Disposals	-	-	-
Gross carrying value as of 31 March 2025	80.80	120.37	201.17
Accumulated depreciation as of 01 April 2024	64.61	10.97	75.58
Depreciation charge for the year	6.92	4.27	11.19
Disposals	-	-	-
Accumulated depreciation as of 31 March 2025	71.53	15.24	86.77
Net Carrying value as of 31 March 2025	9.27	105.13	114.40

Note 3B.1 and 3B.2: Intangible assets under development and Capital work-in-progress

Particulars	Intangible Assets under development	Capital Work-in-progress
Balance as on 01 April 2024	-	131.93
Add: Additions during the year	19.67	33.98
Less: Capitalised/expense out during the year	-	52.95
Balance as on 31 March 2025	19.67	112.96

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Note 3b.1: Capital work-in-progress (CWIP) aging schedule

31 March 2025

Particulars	Amount in capital work-in-progress for a period of				Total
	< 1 year	1 to 2 years	2 to 3 years	> 3 years	
i) Projects in progress	26.32	0.18	78.93	7.53	112.96
ii) Projects temporarily suspended	-	-	-	-	-
Total	26.32	0.18	78.93	7.53	112.96

31 March 2024

Particulars	Amount in capital work-in-progress for a period of				Total
	< 1 year	1 to 2 years	2 to 3 years	> 3 years	
i) Projects in progress	45.47	78.93	7.53	-	131.93
ii) Projects temporarily suspended	-	-	-	-	-
Total	45.47	78.93	7.53	-	131.93

Note 3b.2: Intangible assets under development aging schedule

31 March 2025

Particulars	Amount in capital work-in-progress for a period of				Total
	< 1 year	1 to 2 years	2 to 3 years	> 3 years	
i) Projects in progress	19.67	-	-	-	19.67
ii) Projects temporarily suspended	-	-	-	-	-
Total	19.67	-	-	-	19.67

31 March 2024

Particulars	Amount in capital work-in-progress for a period of				Total
	< 1 year	1 to 2 years	2 to 3 years	> 3 years	
i) Projects in progress	-	-	-	-	-
ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Notes to the Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)***Note: 4 Right-of-use Assets**

The details of the Line Items of Right-of-use Assets is as follows:-

Particulars	31 March 2025	31 March 2024
<u>Buildings</u>		
Gross Carrying Value at the Beginning of the year	11.64	11.64
Additions	42.60	-
Deletions	-	-
Gross carrying value at the end of the year	54.24	11.64
Accumulated depreciation at the beginning of the year	11.64	7.75
Depreciation charge for the year	10.65	3.89
Deletions	-	-
Accumulated depreciation at the end of the year	22.29	11.64
Net Carrying Value at the end of the year (A)	31.95	-
<u>Plant & Machinery</u>		
Gross Carrying Value at the Beginning of the year	28.75	8.25
Additions	97.08	20.50
Deletions	-	-
Gross carrying value at the end of the year	125.83	28.75
Accumulated depreciation at the beginning of the year	1.67	0.20
Depreciation charge for the year	7.42	1.47
Deletions	-	-
Accumulated depreciation at the end of the year	9.09	1.67
Net Carrying Value at the end of the year (B)	116.74	27.08
Total Carrying Value (A+B)	148.69	27.08

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

NOTE 5: NON-CURRENT FINANCIAL ASSET - INVESTMENTS

Particulars	31 March 2025			31 March 2024		
	Face Value per share (in ₹)	Number of Shares	Value	Face Value per share (in ₹)	Number of Shares	Value
Investment in equity instruments (at cost)						
Equity shares of subsidiary companies fully paid up (unquoted)						
SED Engineers & Fabricators Private Limited	10	10,000	0.10	10	10,000	0.10
Sustainable Environment Developers Limited	10	50,000	0.50	10	50,000	0.50
Total			0.60			0.60
Less: Provision for impairment on investments			0.10			0.10
Total			0.50			0.50
Equity shares of Associate fully paid up (unquoted)						
IPRO Sugar Engineering Private Limited	10	25,000	0.25	10	25,000	0.25
Total			0.25			0.25
Less: Provision for impairment on investments			-			-
Total			0.25			0.25
Equity shares of other fully paid up (unquoted)						
Sri Saibaba Sugar Limited	100	3,00,000	30.00	100	3,00,000	30.00
Total			30.00			30.00
Less: Provision for impairment on investments			30.00			30.00
Total			-			-
Aggregate amount of quoted investments and market value thereof			-			-
Aggregate amount of unquoted investments			0.75			0.75
Aggregate amount of impairment in value of investments			30.10			30.10

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

NOTE 6: NON-CURRENT FINANCIAL ASSET - OTHER FINANCIAL ASSETS

Particulars	31 March 2025	31 March 2024
Unsecured, considered good		
Security deposits	17.61	4.22
Balance with banks-deposits accounts with original maturity more than 12 months	-	0.22
Total	17.61	4.44

NOTE 7: (DEFERRED TAX ASSETS)/LIABILITIES (NET)

Particulars	01 April 2024	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	31 March 2025
Deferred tax liability				
Property, plant & equipments and intangible assets	56.50	4.00	-	60.50
Right of Use Assets	7.88	29.54	-	37.42
Remeasurements of Financial Liabilities at effective interest method	0.62	(0.19)	-	0.43
Gross deferred tax liability (A)	65.00	33.35	-	98.35
Deferred tax asset				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	26.34	1.26	0.91	28.51
Expected credit loss allowance on trade receivables	-	-	-	-
Lease liabilities	6.50	27.21	-	33.71
Remeasurements of Financial Assets at Amortised Cost	0.66	1.74	-	2.40
Sub total	33.50	30.21	0.91	64.62
Unused Tax Credits				
Minimum Alternate Tax	-	-	-	-
Gross deferred tax asset (B)	33.50	30.21	0.91	64.62
Net deferred tax (assets)/ liability (A - B)	31.50	3.14	(0.91)	33.73

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

NOTE 8: OTHER NON-CURRENT ASSETS

Particulars	31 March 2025	31 March 2024
Capital Advances	-	-
Advances other than Capital Advances		
- Security Deposits	21.96	25.37
- Other Advances	11.36	11.35
Total	33.32	36.72

NOTE 9: INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

Particulars	31 March 2025	31 March 2024
Raw Material & Components	743.08	486.01
Work-in-progress	241.23	138.98
Finished goods	127.57	112.80
Stores and spares	30.57	22.72
Total	1142.45	760.51

SPRAY ENGINEERING DEVICES LIMITED

CIN-U00000CH2004PLC027625

Notes to the Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)***NOTE 10: CURRENT FINANCIAL ASSET - INVESTMENTS**

Particulars	31 March 2025	31 March 2024
Investments at fair value through Profit & Loss (FVTPL)		
Investment in Mutual Funds (Quoted)		
Canara Robeco Consumer Trends Fund - Regular Growth 8227.572 Units (31 March 2024 - 8227.572 Units)	0.83	0.77
Canara Robeco Equity Hybrid Fund - Regular Growth - 2222.136 Units (31 March 2024- 2222.136 Units)	0.75	0.69
Bank of India Multi Cap Fund - Regular Plan- Growth - 141043.851 Units (31 March 2024 - 141043.851Units)	2.28	2.13
Bank of India MultiAsset Allocation Fund - Regular Plan- Growth - 49997.50 Units (31 March 2024 - 49997 Units)	0.54	0.51
Bank of India Business Cycle Fund - Regular Plan- Growth - 49997.50 Units (31 March 2024 - Nil Units)	0.42	-
Bank of India Consumption Fund - Regular Plan- Growth - 49997.50 Units (31 March 2024 - Nil Units)	0.47	-
Investments at Amortised Cost		
Unquoted Investments	-	-
Total Investments	5.29	4.10
Aggregate amount of quoted investments and market value thereof	5.29	4.10
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
Total	5.29	4.10

NOTE 11: CURRENT FINANCIAL ASSET - TRADE RECEIVABLES

Particulars	31 March 2025	31 March 2024
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	1,143.01	867.59
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: Allowance for expected credit loss	-	-
Total	1,143.01	867.59

SPRAY ENGINEERING DEVICES LIMITED

CIN-U00000CH2004PLC027625

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Note 11.1: Trade Receivables aging schedule

Particulars	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	> 3 years	
Undisputed Trade Receivables - considered good						
31 March 2025	471.46	206.94	214.90	124.58	59.11	1076.99
31 March 2024	473.38	99.46	168.36	44.61	15.76	801.57
31 March 2023	292.35	120.47	73.14	14.51	31.80	532.27
01 April 2022	175.00	84.76	38.22	25.33	53.54	376.85
Undisputed Trade Receivables - which have significant increase in credit risk						
31 March 2025	-	-	-	-	-	-
31 March 2024	-	-	-	-	-	-
31 March 2023	-	-	-	-	-	-
01 April 2022	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired						
31 March 2025	-	-	-	-	-	-
31 March 2024	-	-	-	-	-	-
Disputed Trade Receivables - considered good						
31 March 2025	-	-	4.41	-	61.61	66.02
31 March 2024	-	-	4.41	-	61.61	66.02
Disputed Trade Receivables - which have significant increase in credit risk						
31 March 2025	-	-	-	-	-	-
31 March 2024	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired						
31 March 2025	-	-	-	-	-	-
31 March 2024	-	-	-	-	-	-
Total	471.46	206.94	219.31	124.58	120.72	1143.01
Total	473.38	99.46	172.77	44.61	77.37	867.59
Less:- Allowance for expected credit loss						
31 March 2025	-	-	-	-	-	-
31 March 2024	-	-	-	-	-	-
Total Trade Receivables(Net)						
31 March 2025	471.46	206.94	219.31	124.58	120.72	1143.01
31 March 2024	473.38	99.46	172.77	44.61	77.37	867.59

SPRAY ENGINEERING DEVICES LIMITED**Notes to the Financial Statements for the year ended 31 March 2025***(Amount in INR millions, except for share data unless otherwise stated)***NOTE 12: CURRENT FINANCIAL ASSET - CASH AND CASH EQUIVALENTS**

Particulars	31 March 2025	31 March 2024
(A) Balances with banks:		
-In current accounts	19.15	1.33
-In fixed deposit under lien held as margin money (for credit facility and bank guarantee) maturing within 12 months	105.87	111.34
(B) Cash on Hand	0.18	0.10
Total	125.20	112.77
Cash & cash equivalents	19.33	1.43
Bank Balance other than above	105.87	111.34

NOTE 13: CURRENT FINANCIAL ASSET - OTHER FINANCIAL ASSETS

Particulars	31 March 2025	31 March 2024
Interest accrued but not due on bank fixed deposits	2.62	1.66
Total	2.62	1.66

NOTE 14: CURRENT TAX ASSETS/(LIABILITIES) (NET)

Particulars	31 March 2025	31 March 2024
Provision for taxation (Net of advance tax & TDS)	(29.99)	(124.60)
Total	(29.99)	(124.60)

NOTE 15: OTHER CURRENT ASSETS

Particulars	31 March 2025	31 March 2024
Capital advances	2.52	-
Advances other than capital advances		
- Advances to suppliers		
Unsecured, considered good	354.12	193.65
Unsecured, considered doubtful	1.24	1.24
-Other Advances	86.25	97.51
	444.13	292.40
Less: Provision for doubtful advances	(1.24)	(1.24)
Total	442.89	291.16

SPRAY ENGINEERING DEVICES LIMITED
CIN-U00000CH2004PLC027625
Notes to the Financial Statements for the year ended 31 March 2025
(Amount in INR millions, except for share data unless otherwise stated)
NOTE 16: EQUITY SHARE CAPITAL

Particulars	31 March 2025		31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Authorized share capital	4,00,00,000	400.00	4,00,00,000	400.00
Equity shares of ₹ 10/- each with voting rights				
Issued share capital	2,50,96,423	250.96	2,25,86,781	225.87
Equity shares of ₹ 10/- each with voting rights				
Subscribed and fully paid-up share Capital	2,50,96,423	250.96	2,25,86,781	225.87
Total	2,50,96,423	250.96	2,25,86,781	225.87

Notes:
(a) The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of

The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each of the equity shareholders.

(b) Reconciliation of the number of shares and amount outstanding:

Particulars	31 March 2025		31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	2,25,86,781	225.87	2,25,86,781	225.87
Add: Issued during the year	25,09,642.00	25.09642	-	-
Less: Shares bought back	-	-	-	-
Equity shares outstanding at the end of the year	2,50,96,423	250.96	2,25,86,781	225.87

(c) Detail of shares held by each shareholder holding more than 5% of the total number of equity shares:

Class of shares/name of the shareholders:	31 March 2025		31 March 2024	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
Equity shares with voting rights				
(i) Mr. Vivek Verma (Chairman cum Managing Director)	1,21,93,918	48.59%	1,21,93,918	53.99%
(ii) Mr. Prateek Verma (Whole-time Director)	54,42,730	21.69%	59,42,730	26.31%
(iii) Klondike Investments Ltd.	28,23,348	11.25%	28,23,348	12.50%

(d) Shareholding of promoters:

Shares held by promoters at end of the year Promotor name	31 March 2025		31 March 2024		% change during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
(i) Mr. Vivek Verma (Chairman cum Managing Director)	1,21,93,918	48.59%	1,21,93,918	53.99%	-5.40%
(ii) Mr. Prateek Verma (Whole-time Director)	54,42,730	21.69%	59,42,730	26.31%	-4.62%

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

NOTE 17: OTHER EQUITY

Particulars	31 March 2025	31 March 2024
(a) Securities premium		
Balance outstanding at the beginning of the year	613.01	613.01
Add: Additions during the year	695.17	-
Less: Utilised during the year	50.22	-
Balance outstanding at the end of the year	1,257.96	613.01
(b) Retained earnings		
Balance outstanding at the beginning of the year	405.57	(116.64)
Add/(Less): Transition effect on Restatement to Ind AS	-	-
Add: Net profit for the year	146.85	530.06
Add :Income on account of OCI	(2.72)	(7.85)
Less: Appropriations	-	-
Balance outstanding at the end of the year	549.70	405.57
Total (a+b)	1,807.66	1,018.58

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

NOTE 18: NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	31 March 2025	31 March 2024
Secured		
Term Loans from banks	221.91	257.03
Less: Current maturities of long term borrowings	44.74	47.10
Total	177.17	209.93

i) Vehicle loans of INR 23.66 millions (31 March 2024 - INR 19.81 millions) is in respect of various vehicles which are secured by hypothecation of the vehicles financed. All the loans are repayable in 48 to 60 monthly instalments and carrying interest rate ranging from 7.75% to 9.70% p.a.

ii) INR Nil millions (31 March 2024 - INR 1.52 millions) outstanding of Working Capital Term loan (Total sanctioned limit of INR 14.4 millions) taken from Bank of India at interest rate of 0.65% over RBLR secured by 1st pari passu charge by way of hypothecation of stock/book debts/bills and other chargeable Current assets (present and future) and collaterally secured by 1st pari passu charge by way of hypothecation of entire fixed assets (existing and future) excluding land and building at plot no. 76 Industrial area, baddi; Land and building at plot no. 245-246, Industrial area, Baddi; Land and building at plot no. 395-398 near Cola Cola factory, village billanwali, Baddi; 4 flats situated at Baddi in the name of the company. The loan was further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan was repayable in 36 monthly installements commencing from July,2021 and ending in June,2024.

iii) INR Nil millions (31 March 2024 - INR 1.94 millions) outstanding of Working Capital term loan (Total sanctioned limit of INR 23.3 millions) taken from Canara Bank at interest rate of 1 year MCLR subject to a maximum of 9.25 % p.a. secured by 1st pari passu charge with Bank of India on current assets (present and future) and collaterally secured by 1st pari passu charge with Bank of India on entire fixed assets(existing and future) excluding land and building at plot no. 76 Industrial area, baddi; Land and building at plot no. 245-246, Industrial area, Baddi; Land and building at plot no. 395-398 near Cola Cola factory, village billanwali, Baddi;4 flats situated at Baddi in the name of the company. The loan is further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan was repayable in 36 months installments commencing from July,2021 and ending in June,2024.

iv) INR 7.00 millions (31 March 2024 - INR 11.00 millions) outstanding of Working Capital Term Loan (Total sanctioned limit of INR 12.00 millions) was taken from Canara Bank at interest rate of 1 year MCLR subject to a maximum of 9.25 % p.a. secured by 1st pari passu charge on current assets (present and future) and collaterally secured by entire fixed assets(existing and future) excluding land and building at plot no. 76 Industrial area, baddi, Land and building at plot no. 245-246, Industrial area, Baddi, Land and building at plot no. 395-398 near Cola Cola factory, village billanwali, Baddi, 4 flats situated at Baddi in the name of the company. The loan is further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan is repayable in 36 months installments commencing from December,2023 and ending in November,2026.

v) INR 4.34 millions (31 March 2024 - INR 6.52 millions) outstanding of Working Capital Term loan (Total sanctioned limit of INR 7.20 millions) taken from Bank of India at interest rate of 0.65% over RBLR secured by 1st pari passu charge by way of hypothecation of stock/ book debts/bills and other chargeable Current assets (present and future) and collaterally secured by entire fixed assets(existing and future)excluding land and building at plot no. 76 Industrial area, baddi, Land and building at plot no. 245-246, Industrial area, Baddi, Land and building at plot no. 395-398 near Cola Cola factory, village billanwali, Baddi, 4 flats situated at Baddi in the name of the company. The loan is further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan is repayable in 36 months installments commencing from November, 2023 and ending in October, 2026.

vi) INR 140.84 millions (31 March 2024 - INR 159.10 millions) outstanding of Term loan for purchase of corporate office (Total sanctioned limit of INR 183.70 millions) taken from Canara Bank at interest rate of RLLR +2.50%+0.80% secured by exclusive EMT of Corporate office at Plot no. C-82, Industrial Area, Phase 7, Mohali and further secured by collateral of land and building at plot no. 76 Industrial area, baddi, Land and building at plot no. 245-246, Industrial area, Baddi, Land and building at plot no. 395-398 near Cola Cola factory, village billanwali, Baddi, 4 flats situated at Baddi in the name of the company and other entire fixed assets(existing & future) of its own share of EMT of Rs. 140.00 millions out of total EMT of Rs. 240.80 millions. The loan is further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan is repayable in 120 monthly installements commencing from December, 2022 and ending in November, 2032.

vii) INR 18.51 millions (31 March 2024 - INR 23.96 millions) outstanding of Term loan for purchase of Plant & Machineries (Total sanctioned limit of INR 32.70 millions) taken from Bank of India at interest rate of 1 year MCLR + BSP 0.30% +CRP 2.08% with monthly rests primarily secured by 1st pari-passu charge by way of hypothecation of Machinery purchased out of bank Finance and further collaterally secured by 1st pari-pasu charge by way of EQM of land and building at plot no. 76 Industrial area, baddi, Land and building at plot no. 245-246, Industrial area, Baddi, Land and building at plot no. 395-398 near Cola Cola factory, village billanwali, Baddi, 4 flats situated at Baddi in the name of the company and 1st pari-pasu charge by way of hypothecation of other entire fixed assets(existing & future) of the company. The loan is further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan is repayable in 72 monthly installements commencing from September, 2023 and ending in August, 2029.

viii) INR 27.59 millions (31 March 2024 - INR 35.30 millions) outstanding of Term loan for purchase of Plant & Machineries (Total sanctioned limit of INR 46.30 millions) taken from Canara Bank at interest rate of RLLR + 2.50% +0.80% primarily secured by 1st pari-pasu charge with Bank of India and further collaterally secured by 1st pari-pasu charge by way of EQM of land and building at plot no. 76 Industrial area, baddi, Land and building at plot no. 245-246, Industrial area, Baddi, Land and building at plot no. 395-398 near Cola Cola factory, village billanwali, Baddi, 4 flats situated at Baddi in the name of the company and 1st pari-pasu charge by way of hypothecation of other entire fixed assets(existing & future) of the company. The loan is further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan is repayable in 72 monthly installements commencing from September, 2023 and ending in August, 2029.

SPRAY ENGINEERING DEVICES LIMITED**Notes to the Financial Statements for the year ended 31 March 2025***(Amount in INR millions, except for share data unless otherwise stated)***NOTE 19: NON-CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES**

Particulars	31 March 2025	31 March 2024
Long term maturities of lease liabilities	133.93	22.32
Less: Current maturities of lease liabilities	27.49	4.28
Total	106.44	18.04

NOTE 20: NON-CURRENT FINANCIAL LIABILITIES - PROVISIONS

Particulars	31 March 2025	31 March 2024
Provision for employee benefits		
Gratuity (refer note 40)	52.01	39.10
Leave encashment (refer note 40)	13.82	13.17
Total	65.83	52.27

NOTE 21: CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	31 March 2025	31 March 2024
Loans repayable on demand		
Secured		
From banks		
Cash credit accounts	576.41	397.00
From others		
Cash credit accounts	-	98.50
Current Maturities		
Current maturities of long-term borrowings	44.74	47.10
Current maturities of lease Liabilities	27.49	4.28
Total	648.64	546.88

Notes:-

i) Cash credit limits from banks are primary secured by first pari passu charge on current assets (existing and future) of the company in favour of Canara Bank and Bank of India & collaterally secured by first pari passu charge on Land and Building at Plot no. 76, Industrial area, Baddi, HP (area 2250 Sq. meter), Land and Building at Plot no. 245-246, Industrial area, Baddi, HP (area 1800Sq. meter), Land and Building at Plot no. 395-398, near Coca Cola Factory, Village- Billanwali, Baddi, HP, EMT of 4 Flats located at Baddi, HP standing in the name of the Company and EMT of vacant Plot no.8, myst aerotown, Dyalpura, Zirakpur, SAS Nagar, Punjab (area 500 sq yards) standing in the name of Mr. Vivek Verma.

ii) Secured loans are further secured by personal guarantee of the promoters namely Mr. Vivek Verma and Mr. Prateek Verma.

NOTE 22: CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	31 March 2025	31 March 2024
Total outstanding dues of micro and small enterprises	78.07	52.06
Total outstanding dues of creditors other than micro and small enterprises	328.26	489.99
	406.33	542.05

NOTE 22.1: Disclosure under section 22 of the MSMED Act, 2006

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with the company. Disclosure in respect of amount remaining unpaid and interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under:

Particulars	31 March 2025	31 March 2024
(a) the principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
'- principal	78.07	52.06
'- interest	-	-
(b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(d) the amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(e) the amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	-	-

SPRAY ENGINEERING DEVICES LIMITED

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Notes to the Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)***Note 22.2: Trade Payables aging schedule**

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 Year	1 to 2 years	2 to 3 years	> 3 years	
Outstanding dues of micro and small enterprises					
31 March 2025	73.16	4.49	0.31	0.11	78.07
31 March 2024	51.28	0.48	0.24	0.06	52.06
Outstanding dues of creditors other than micro and small enterprises					
31 March 2025	276.28	29.06	6.15	9.31	320.80
31 March 2024	397.57	60.74	24.21	0.01	482.53
Disputed dues of micro and small enterprises					
31 March 2025	-	-	-	-	-
31 March 2024	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises					
31 March 2025	-	-	-	7.46	7.46
31 March 2024	-	-	-	7.46	7.46
Total Trade Payables					
31 March 2025	349.44	33.55	6.46	16.88	406.33
31 March 2024	448.85	61.22	24.45	7.53	542.05

SPRAY ENGINEERING DEVICES LIMITED**Notes to the Financial Statements for the year ended 31 March 2025***(Amount in INR millions, except for share data unless otherwise stated)***NOTE 23: OTHER CURRENT LIABILITIES**

Particulars	31 March 2025	31 March 2024
Advances from customers	406.77	162.35
Statutory dues payable	11.22	9.47
Other liabilities & payables	217.12	45.31
Total	635.11	217.13

NOTE 24: CURRENT FINANCIAL LIABILITIES - PROVISIONS

Particulars	31 March 2025	31 March 2024
Provision for employee benefits		
Gratuity (refer note 40)	8.80	7.05
Leave encashment (refer note 40)	4.36	3.39
	13.16	10.44
Others		
Provision for warranty (refer note 44)	3.32	6.33
Provision for performance (refer note 44)	10.81	10.81
	14.13	17.14
Total	27.29	27.58

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

NOTE 25: REVENUE FROM OPERATIONS

Particulars	31 March 2025	31 March 2024
Sale of products	4,349.55	5,165.66
Erection, commissioning and related services	186.40	230.48
Other operating revenues (refer note 25.1)	68.49	72.28
Total	4,604.44	5,468.42

Note 25.1: Other operating revenues

Particulars	31 March 2025	31 March 2024
Export Incentives	7.34	24.07
Sale of scrap	61.15	48.21
Total	68.49	72.28

NOTE 26: OTHER INCOME

Particulars	31 March 2025	31 March 2024
(a) Interest income	6.83	7.00
(b) Other non-operating income:		
Gain on fair valuation of investments	0.20	0.99
Provisions written back	-	1.27
Gain/Loss on Foreign Exchange Fluctuations (Net)	1.08	-
Gain on disposal of property, plant & equipment	0.16	-
Miscellaneous Income	0.21	-
Total	8.48	9.26

NOTE 27: COST OF MATERIAL CONSUMED

Particulars	31 March 2025	31 March 2024
Inventory at the beginning of the year	486.01	441.79
Add: Purchases during the year	3,280.42	3,450.04
Less: Inventory at the end of the year	743.08	486.01
Raw material and components consumed	3,023.35	3,405.82

NOTE 28: PURCHASE OF STOCK-IN-TRADE

Particulars	31 March 2025	31 March 2024
Purchases of stock-in-trade	-	-
Total	-	-

NOTE 29: (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	31 March 2025	31 March 2024
Closing Stock:		
Work-in-progress	241.23	138.97
Finished goods	127.57	112.80
Total	368.80	251.77
Opening Stock:		
Work-in-progress	138.97	219.12
Finished goods	112.80	94.65
Total	251.77	313.77
(Increase)/Decrease in inventories	(117.03)	62.00

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Notes to the Financial Statements for the year ended 31 March 2025
(Amount in INR millions, except for share data unless otherwise stated)
NOTE 30: EMPLOYEE BENEFITS EXPENSE

Particulars	31 March 2025	31 March 2024
Salaries, wages and bonus	463.06	406.89
Directors remuneration	14.41	10.22
Contribution to provident and other funds	21.79	17.22
Gratuity and EL expenses (refer note 40)	16.62	14.45
Staff welfare expenses	22.60	15.54
Total	538.48	464.32

NOTE 31: FINANCE COSTS

Particulars	31 March 2025	31 March 2024
Interest expense		
- on Term Loans	24.12	28.34
- on Working Capital Facilities	34.61	38.24
- on Lease Liabilities	11.65	1.50
Other borrowing costs	44.06	30.81
Total	114.44	98.89

NOTE 32: DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	31 March 2025	31 March 2024
Depreciation of Property, plant & equipment	46.88	38.44
Depreciation/amortization of right-of-use assets	18.07	5.36
Amortization of intangible assets	11.19	5.50
Total	76.14	49.30

NOTE 33: OTHER EXPENSE

Particulars	31 March 2025	31 March 2024
Consumption of Stores & spares	13.49	16.47
Power and Electricity Charges	51.73	32.02
Project Site Expenses	193.96	156.44
Repair & Maintenances:		
- Plant & Machinery	31.82	9.49
- Building	6.85	16.50
Freight, Cartage and Octroi (Net)	86.48	109.90
CSR Expenses (refer note 36)	9.05	4.34
Selling Expenses	48.02	86.69
Travel & Conveyance	61.00	39.00
Rent	23.41	10.08
Rates and Taxes	6.80	3.51
Insurance	7.98	3.85
Payment to auditors		
- Statutory audit fees	1.00	1.00
Warranty Expenses	20.00	17.72
Vehicle and other maintenances	43.77	28.19
Advertisement, Publicity and Sales Promotion	22.19	10.00
Communication Cost	4.69	3.61
Legal & Professional Charges	79.26	36.98
Bad debts written off	-	30.18
Balances written off	9.30	-
Other Miscellaneous Expenses	31.64	18.39
Website and Software Expenses	23.91	18.64
Gain/Loss on Foreign Exchange Fluctuations (Net)	-	2.76
Total	776.35	655.76

SPRAY ENGINEERING DEVICES LIMITED

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Notes to the Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)***NOTE 34: EARNINGS PER SHARE**

Particulars	31 March 2025	31 March 2024
i) Net profit available to equity shareholders	144.13	522.21
ii) Weighted average number of equity shares outstanding during the year for the purpose of calculation of earning per share	2,47,82,718	2,25,86,781
Weighted average number of equity shares for diluted EPS		
iii) Nominal value of equity share (in ₹)	10.00	10.00
iv) Basic earning per share(in ₹)	5.82	23.12
v) Diluted earning per share(in ₹)	5.82	23.12

35. Capital commitments and contingent Liabilities

Particulars	31 March 2025	31 March 2024
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
Contingent Liabilities		
Guarantees given by banks on behalf of the company	287.91	261.80
Claims against Company not acknowledged as debts	-	-
Disputed demands in appeal towards:		
- Income Tax	23.16	23.16

36. Corporate Social Responsibility

As per the provisions of section 135 of the Companies Act,2013, the Company has incurred CSR expenditure of INR 9.05 million during the financial year ended as on 31 March 2025.

Detail of the CSR expenditure incurred is as follows: -

Amount spent on	31 March 2025	31 March 2024
Construction/acquisition of any asset	-	-
On the purposes covered under schedule VII to Companies Act,2013	9.05	4.34

Disclosure related to Corporate social responsibility: -

Particulars	31 March 2025	31 March 2024
i) Amount required to be spent by the company during the year	9.05	4.34
ii) Amount of expenditure incurred	9.05	4.34
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	-	-

vi) Nature of CSR activities is as under: -

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Project duration	CSR Obligation for the financial year ended as on 31 March 2025	Amount spent in the current financial year	Mode of Implementation - Direct (Yes/No)
Tree Plantation Drive in Delhi-NCR	Tree Plantation, Food Distribution and Pollution Controlling Activities	No	Delhi-NCR	01-04-2024 to 31-03-2025	9.05	9.05	No-Through Swachh Paryavaran Trust

vii) Details of related party transactions:

a) Contribution during the year ending 31 March 2025 – Nil, 31 March 2024- Nil.

b) Payable as at 31 March 2025 – Nil, 31 March 2024- Nil.

viii) The company has not incurred any liability by entering into a contractual obligation and accordingly has not made any provision in this regard.

37. Segment Reporting

The business activities of the company from which it earns revenue and incur expenses, whose operating results are regularly reviewed by the Board of Directors of the company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available involve predominantly one operating segment i.e. Process and project engineering equipment.

Entity Wide Disclosures: -

Information concerning principal geographic areas are as follows:

I) Revenue by geographical market

Particulars	31 March 2025	31 March 2024
Within India	4399.73	4476.68
Outside India	204.71	991.74
Total	4604.44	5468.42

II) Trade Receivables by geographical market

Particulars	31 March 2025	31 March 2024
Within India	1138.36	863.60
Outside India	4.65	3.99
Total	1143.01	867.59

38. Related Party disclosures

a) Parties where control exists

Subsidiaries

Particulars	Principal Place of Business	Method used to account for investments	Proportion of ownership interest and voting rights	
			31 March 2025	31 March 2024
SED Engineers & Fabricators Pvt. Ltd.	India	Cost	100%	100%
Sustainable Environment Developers Ltd.	India	Cost	100%	100%

b) Parties where significant influence exists

Particulars	Principal Place of Business	Method used to account for investments	Proportion of ownership interest and voting rights	
			31 March 2025	31 March 2024
IPRO Sugar Engineering Pvt. Ltd.	India	Cost	49.99%	49.99%

c) Other related parties

SEDL Trust
 Spray Engineering Devices Limited-Employees Group Gratuity Trust

d) Key management personnel & their close members of family

Managing Director	Vivek Verma
Whole Time Director	Prateek Verma (Resigned on 22 May, 2025)
Nominee Director	Sridhar Venkatesh
Independent Director	Ashok Kumar (Resigned on 22 June 2024)
Independent Director	Tara Chand Meenia
Independent Director	Arshdeep Kaur (w.e.f. 06 May 2024)
Independent Director	Niveta Sharma (w.e.f. 06 May 2024)

Chief Financial Officer	Manoj Gupta (Resigned on 31 August 2024)
Chief Financial Officer	Jitendar Kumar (Resigned on 28 August 2025)
Chief Compliance Officer & Company Secretary	Rinkal Goyal
Close members of family of Key management personnel	Mamta Verma and Vimarsh Verma

e) Transactions with related parties have been set out below:-

Particulars	31 March 2025	31 March 2024
SED Engineers & Fabricators Pvt. Ltd.		
Sale of Goods	204.48	-
Sale of Services	15.93	2.95
Expenses incurred and reimbursed by the company	0.10	1.28
Sustainable Environment Developers Ltd.		
Sale of Services	3.50	13.33
Expenses incurred and reimbursed by the company	1.27	1.81
Vivek Verma		
Remuneration	8.41	5.87
Rent Paid	0.48	0.48
Prateek Verma		
Remuneration	6.00	4.35
Ashok Kumar		
Sitting Fee	0.02	0.05
Tara Chand Meenia		
Sitting Fee	0.10	0.06
Arshdeep Kaur		
Sitting Fee	0.09	-
Niveta Sharma		
Sitting Fee	0.09	-
Manoj Gupta		
Remuneration	1.90	3.93
Jitendar Kumar		
Remuneration	0.75	-
Rinkal Goyal		
Remuneration	1.48	1.35
Vimarsh Verma		
Remuneration	2.63	1.95
Mamta Verma		
Remuneration	1.84	-

(f) Balances with related parties have been set out below:-

Particulars	31 March 2025	31 March 2024
SED Engineers & Fabricators Pvt. Ltd.		
Trade Receivable	31.31	2.01
Sustainable Environment Developers Ltd.		
Trade Receivable	2.68	1.05
Vivek Verma		
Remuneration Payable	0.53	0.24
Prateek Verma		
Remuneration Payable	0.37	0.31
Manoj Gupta		
Remuneration Payable	-	0.07
Jitendar Kumar		
Remuneration Payable	0.04	-
Rinkal Goyal		
Remuneration Payable	-	0.12
Vimarsh Verma		
Remuneration Payable	0.09	0.12
Mamta Verma		
Remuneration Payable	0.20	-

Note:

Transactions with related parties are at arm's length price and the balances receivable/payable are un-secured.

39. Leases

The Company classifies the lease transactions as per the requirements of IND-AS 116 "Leases". The Company applied the exemption not to recognize Right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

Depreciation charge for Right-of-use assets is included under depreciation and amortization expense in the Statement of Profit and Loss. Further, to above, the Company has certain lease arrangement on short term basis, expenditure on which has been recognized under line item "Rent" under Other expenses. The effect of adoption of Ind AS 116 'Leases' is not material on the profit before tax, profit for the year and earnings per share.

Nature of leasing activity: -

The Company has entered into lease arrangements for factory premise and plant & machinery.

The disclosure relating to leases are as summarized below:

Particulars	31 March 2025	31 March 2024
Depreciation for right-of-use assets	18.07	5.36
Interest expense on lease liabilities	11.65	1.50
Expenses relating to short-term/low value leases	23.41	10.08
Total cash outflow for leases	21.16	8.59

Notes to the Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)*

Change in lease liabilities arising from financing activities:

Particulars	31 March 2025	31 March 2024
Opening lease liability	22.32	11.15
Addition to lease liabilities	139.49	18.26
Derecognition of lease liability	-	-
Lease payments	27.88	7.09
Closing lease liability	133.93	22.32
Non-current	106.44	18.04
Current	27.49	4.28
Maturity analysis of lease liabilities:		
-less than 1 year	27.49	4.28
-between 1 to 3 years	75.71	9.73
-more than 3 years	30.73	8.31

40. Employee benefits**(a) Defined contribution plans**

The Company has recognized INR 21.79 (31 March 2024: INR 17.22) towards post-employment defined contribution plans comprising provident fund and Employee state insurance scheme in the statement of profit and loss.

Particulars	31 March 2025	31 March 2024
Provident Fund	20.67	16.12
ESI Contribution	1.12	1.10

(b) Defined benefit plans**i) Gratuity**

The Company operates a Gratuity fund trust which in turn has taken Group Gratuity cum Life Assurance policies with Life Insurance Corporation of India for all the employees. Gratuity is a post-employment benefit and is in the nature of a defined benefit plan.

The liability determined by actuarial valuation using projected unit credit method is recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income.

In accordance with the standard, the disclosure relating to the Company's gratuity plan are provided below: -

Notes to the Financial Statements for the year ended 31 March 2025

*(Amount in INR millions, except for share data unless otherwise stated)***Change in present value of obligations:**

Particulars	31 March 2025	31 March 2024
Present value of obligation at the beginning of the year	47.62	35.32
Interest cost	3.19	2.55
Current service cost	7.43	5.92
Benefits Paid	(1.26)	(2.27)
Actuarial (Gain)/Loss	3.82	6.10
Present value of obligation at the end of the year	60.80	47.62

Change in the fair value of plan assets:

Particulars	31 March 2025	31 March 2024
Fair value of plan assets at the beginning of the year	1.47	0.76
Expected Interest income	0.10	0.06
Contribution paid by employer	5.12	1.00
Benefits paid	1.26	0.37
Actuarial gain/(loss) on plan assets	-	-
Return on plan assets excluding interest income	0.20	0.02
Fair value of plan assets at the end of the year	5.63	1.47

Amount recognized in Balance sheet:

Particulars	31 March 2025	31 March 2024
Present value of obligation at the end of the year	60.80	47.62
Fair value of plan assets at the end of the year	5.63	1.47
Amount recognized in balance sheet	55.18	46.15
- Current	8.80	7.05
- Non-current	46.38	39.10

Expenses recognized in the statement of profit and loss:

Particulars	31 March 2025	31 March 2024
Current service cost	7.43	5.92
Net interest cost	3.09	2.50

Notes to the Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)*

Actuarial (gain)/loss	-	-
Employer's direct benefit payment cost	-	-
Total expense recognized in the profit & loss	10.52	8.42

Amounts recognized in other comprehensive income:

Particulars	31 March 2025	31 March 2024
Actuarial (Gain)/Loss on Obligations	3.82	6.10
Return on plan assets other than amounts included in net interest cost	(0.20)	(0.02)
Net (income)/expense for the period recognized in other comprehensive income	3.62	6.08

Principal actuarial assumptions used in determining gratuity benefit obligations are as follows:

Particulars	31 March 2025	31 March 2024
Discount rate	6.69%	7.24%
Expected rate of increase in compensation levels*	5.96%	7.00%
Expected rate of return on plan assets	6.69%	7.24%
Attrition	10.00%	10.00%

*The estimated rate of increase in compensation levels takes into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

ii) Leave Encashment

The expected cost of accumulated leaves is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Company treats the accumulated leave, which is expected to be utilized or paid in next twelve months, as short-term employee benefits. The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefits for measurement purposes. Any gains and losses on actuarial valuation are recognized as expense in the statement of profit and loss.

The disclosure relating to Leave encashment are provided below: -

Change in present value of obligations:

Particulars	31 March 2025	31 March 2024
Present value of obligation at the beginning of the year	16.56	16.40
Interest cost	1.11	1.19

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Current service cost	8.56	6.77
Benefits Paid	(3.92)	(5.73)
Actuarial (Gain)/Loss	(4.12)	(2.07)
Present value of obligation at the end of the year	18.19	16.56

Change in the fair value of plan assets:

Particulars	31 March 2025	31 March 2024
Fair value of plan assets at the beginning of the year	-	-
Expected Interest income	-	-
Contribution paid by employer	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Return on plan assets excluding interest income	-	-
Fair value of plan assets at the end of the year	-	-

Amount recognized in Balance sheet:

Particulars	31 March 2025	31 March 2024
Present value of obligation at the end of the year	18.18	16.56
Fair value of plan assets at the end of the year	-	-
Amount recognized in balance sheet	18.18	16.56
- Current	4.36	3.39
- Non-current	13.82	13.17

Expenses recognized in the statement of profit and loss:

Particulars	31 March 2025	31 March 2024
Current service cost	8.56	6.77

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Net interest cost	1.11	1.19
Actuarial (gain)/loss	(4.12)	(2.07)
Employer's direct benefit payment cost	-	-
Total expense recognized in the profit & loss	5.55	5.89

Amounts recognized in other comprehensive income:

Particulars	31 March 2025	31 March 2024
Actuarial (Gain)/Loss on Obligations	-	-
Return on plan assets other than amounts included in net interest cost	-	-
Net (income)/expense for the period recognized in other comprehensive income	-	-

Principal actuarial assumptions used in determining leave encashment obligations are as follows:

Particulars	31 March 2025	31 March 2024
Discount rate	6.69%	7.24%
Expected rate of increase in compensation levels*	5.96%	7.00%
Attrition	10.00%	10.00%

*The estimated rate of increase in compensation levels takes into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

41. Fair Value measurements

Financial instruments by category

Particulars	Amortized cost		FVTPL	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Financial assets				
Investments in mutual fund	-	-	5.29	4.10
Other investments	0.75	0.75	-	-
Trade Receivables	1143.01	867.59	-	-
Others	20.23	6.10	-	-
Cash & Cash Equivalents	19.33	1.43	-	-
Bank Balance	105.87	111.34	-	-
Total Financial assets	1289.19	987.21	5.29	4.10

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

<u>Financial liabilities</u>				
Borrowings	796.63	752.53	-	-
Trade Payable	406.33	542.05	-	-
Lease Liabilities	133.93	22.32		
Total Financial liabilities	1336.89	1316.90	-	-

(i) **Fair value hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the Company has classified its financial instruments into three levels prescribed under the accounting standards. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following table provides the fair value measurement hierarchy of the Company's asset and liabilities, grouped into Level 1 to Level 3 as described below: -

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.

Particulars	Fair value measurements using			
	Carrying value 31 March 2025	Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets & liabilities at fair value through profit or loss				
Financial Assets:				
Investments in mutual funds	5.29	5.29	-	-
Total	5.29	5.29	-	-
Financial liabilities:				
-	-	-	-	-
Total	-	-	-	-
Financial Assets				

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

& liabilities at amortised cost				
Financial Assets:				
Security Deposit	17.61	-	17.61	-
Total	17.61	-	17.61	-
Financial liabilities:				
Long-term borrowings	221.91	-	221.91	-
Lease liabilities	133.93	-	133.93	-
Short-term borrowings	576.41	-	576.41	-
Total	932.25	-	932.25	-

Particulars	Fair value measurements using			
	Carrying value 31 March 2025	Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets & liabilities at fair value through profit or loss				
Financial Assets:				
Investments in mutual funds	4.10	4.10	-	-
Total	4.10	4.10	-	-
Financial liabilities:				
-	-	-	-	-
Total	-	-	-	-
Financial Assets & liabilities at amortised cost				
Financial Assets:				
Security Deposit	4.22	-	4.22	-
Total	4.22	-	4.22	-
Financial liabilities:				
Long-term borrowings	257.03	-	257.03	-
Lease liabilities	22.32	-	22.32	-
Short-term borrowings	495.50	-	495.50	-
Total	774.85	-	774.85	-

(ii) Valuation techniques used to determine fair values

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Specific valuation technique used to value financial instrument includes:

- > the use of quoted market prices or dealer quotes for similar financial instruments.
- > the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis

The following method and assumptions are used to estimate fair values:

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, short term deposits etc. are considered to be their fair value, due to their short-term nature.

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowings fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

Financial assets and liabilities measured at fair value and the carrying amount is the fair value.

42. Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that arise directly from its operations.

The Company's risk management is carried out by management under policies approved by the Board of Directors from time to time. Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the various stakeholders. The Board of Directors approves written principles for overall financial risk management, as well as written policies covering specific areas, such as credit risk, use of derivative financial instruments and non-derivative financial instruments.

The Company's activities are exposed to Market risk, Credit risk and Liquidity risk. These risks are managed pro-actively by the Senior Management of the Company, duly supported by various Groups and Committees.

(A) Credit Risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, considering the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward-looking information such as:

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation
- (iv) Significant increase in credit risk and other financial instruments of the same counterparty
- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

The Company's major exposure is from trade receivables, which are unsecured and contractually due from external customers. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

(B) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management

monitors the Company's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

<u>31 March 2025</u>	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings:				
Working Capital Limits	576.41	-	-	576.41
Term Loan	44.74	128.18	48.99	221.91
Lease Liability including Finance Charge	38.08	120.61	-	158.69
Non-Interest-bearing borrowings:				
Trade and Other payable	406.33	-	-	406.33
% to Total	78.16%	18.25%	3.59%	100.00%
<u>31 March 2024</u>	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings:				
Working Capital Limits	495.50	-	-	495.50
Term Loan	47.03	144.87	67.25	259.15
Lease Liability including Finance Charge	5.98	20.76	-	26.74
Non-Interest-bearing borrowings:				

Notes to the Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)*

Trade and Other payable	542.05	-	-	542.05
% to Total	82.40%	12.52%	5.08%	100.00%

(C) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk mainly through its sales to overseas customers and purchases from overseas suppliers in foreign currencies.

Foreign currency exposure:

FY	Particulars	Currency	Amount in Foreign currency	Amount in INR
31 March 2025	Trade receivables	USD	48493	4.15
		EURO	5390	0.50
	Trade Payables	USD	6097	0.53
		EURO	48887	4.70
31 March 2024	Trade receivables	USD	48493	3.99
	Trade Payables	USD	654913	55.01
		EURO	12349	1.14

(ii) Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligation at floating interest rates which is not material.

(iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of raw material and therefore requires a continuous supply. The Company operations may impact due to changes in prices of

those raw materials.

43. Capital Management

The Company's objective when managing capital are to

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of following gearing ratio: Net debt (total borrowing net of cash and cash equivalents) divided by total equity .

Particulars	31 March 2025	31 March 2024
Total Borrowings	796.63	752.53
Less: Cash and Cash equivalents	19.33	1.43
Net Debt (A)	777.30	751.10
Equity share capital	250.96	225.87
Other equity	1807.66	1018.58
Total Equity (B)	2058.62	1244.45
Total Equity and net debt (C=A+B)	2835.92	1995.55
Gearing ratio (Times) (A/C)	0.27	0.38

44. Disclosure in respect of movement in provisions as per the requirements of IND AS- 37

Provision for warranties

Provision is made for the estimated warranty claims and after sales services in respect of products sold based on the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Movement in provision for warranty:

Particulars	31 March 2025	31 March 2024
Balance at the beginning of the year	6.33	7.55
Additional provision made during the year	-	17.72
Amount used during the year	3.01	18.94

Notes to the Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)*

Balance at the end of the year	3.32	6.33
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Provision for performance

Provision is made for the estimated performance claims in respect of products sold based on the historical claim information and any recent trends that may suggest future claims could differ from historical amounts.

Movement in provision for performance:

Particulars	31 March 2025	31 March 2024
Balance at the beginning of the year	10.81	8.32
Additional provision made during the year	-	53.17
Amount used during the year	-	50.68
Balance at the end of the year	10.81	10.81

45. Disclosure pursuant to Section 186 of the Companies Act,2013

There is no transaction which required disclosure under section 186 of the Companies Act, 2013.

46. Ratio Analysis**a) Current Ratio = Current Assets divided by the Current Liabilities**

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Current Assets	2861.46	2037.79	
Current Liabilities	1747.35	1458.24	
Ratio (in times)	1.64	1.40	17.19%

b) Debt Equity Ratio =Total debt divided by total equity where total debt refers to sum of current and non-current borrowings

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Current borrowings	621.14	542.60	
Non-current borrowings	177.17	209.93	
Total Debt	798.31	752.53	
Total Equity	2058.62	1244.45	
Ratio (in times)	0.39	0.60	-35.87%

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

There is decrease in debt-equity ratio due to substantial increase in total equity as compared to increase in debt liabilities.

c) Debt service coverage ratio = Earnings available for debt service divided by interest and principal repayments

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Profit after tax	146.85	530.06	
Add: Non-cash operating expenses and Interest expenses Depreciation and amortization expense	76.14	49.30	
Interest on term loans	24.12	28.34	
Earnings available for debt service	247.11	607.70	
Interest on term loans	24.12	28.34	
Principal repayments	50.19	18.60	
Total Interest and principal repayments	74.31	46.94	
Ratio (in times)	3.33	12.95	-74.32%

There is decrease in debt service coverage ratio due to decrease in earning available for debt service.

d) Return on equity ratio = Profit after tax divided by Average equity

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Profit after tax	146.85	530.06	
Total equity at the beginning of the year (A)	1244.45	722.24	
Total equity at the end of the year (B)	2058.62	1244.45	
Average Equity (C =(A+B)/2)	1651.54	983.35	
Ratio (in %)	8.89	53.90	-45.01%

There is decrease in return on equity ratio due to substantial decrease in profit after tax.

e) Inventory turnover ratio = Cost of goods sold divided by average inventory

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Cost of goods sold	2906.31	3467.82	
Inventory at the beginning of the year (A)	760.51	778.93	
Inventory at the end of the year (B)	1142.45	760.51	
Average Inventory (C =(A+B)/2)	951.48	769.72	
Ratio (in times)	3.05	4.51	-32.20%

There is decrease in inventory turnover ratio due to decrease in sales of the company.

f) Trade Receivables turnover ratio = Revenue from operations divided by average trade receivables

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Revenue from operations	4604.44	5468.42	
Trade receivables at the beginning of the year (A)	867.59	595.99	
Trade receivables at the end of the year (B)	1143.01	867.59	

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Average trade receivables (C=(A+B)/2)	1005.30	731.79	
Ratio (in times)	4.58	7.47	-38.71%

There is decrease in debtor turnover ratio due to increase in debtors of the company.

g) Trade Payables turnover ratio = Total of purchase and other expenses divided by average trade payables

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Purchase of Raw material (A)	3280.42	3450.04	
Other expenses* (B)	738.00	621.24	
Total of purchase and other expenses (C=A+B)	4018.42	4071.28	
Trade payables at the beginning of the year (D)	542.05	394.04	
Trade payables at the end of the year (E)	406.33	542.05	
Average trade payables (F=(D+E)/2)	474.19	468.05	
Ratio (in times)	8.47	8.70	-2.58%

*Other expenses exclude CSR expenditure, warranty expenses and balances written off as the aforesaid expenses are not related to trade payables

h) Net Capital turnover ratio =Revenue from operations divided by working capital whereas working capital = current assets - current liabilities

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Revenue from operations	4604.44	5468.42	
Current Assets (A)	2861.46	2037.79	
Current Liabilities (B)	1747.35	1458.24	
Working capital (C=A-B)	1114.11	579.55	
Ratio (in times)	4.13	9.44	-56.20%

Net capital turnover ratio has decreased due to higher increase in working capital as compared to increase in revenue from operations.

i) Net Profit ratio =Profit after tax divided by Revenue from operations

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Profit after tax	146.85	530.06	
Revenue from operations	4604.44	5468.42	
Ratio (in %)	3.19	9.69	-6.50%

j) Return on capital employed =Earnings before interest and tax (EBIT) divided by capital employed

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Profit before tax (A)	201.19	741.59	
Finance cost (B)	114.44	98.89	
Other income (C)	8.48	9.26	
EBIT(D=A+B-C)	307.16	831.22	
Total assets (E)	4189.14	3014.43	
Total Liabilities (F)	2130.52	1769.98	
Intangible assets (G)	114.40	14.72	

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Tangible net worth (H=E-F-G)	1944.22	1229.73	
Current borrowings (I)	621.14	542.60	
Non-current borrowings (J)	177.17	209.93	
Total Debts (K=I+J)	798.31	752.53	
Deferred tax liabilities (net) (L)	33.73	31.50	
Deferred tax assets (net) (M)	0.00	0.00	
Capital employed (N=H+K+L-M)	2776.27	2013.76	
Ratio (in %)	11.06	41.28	-30.22%

There is decrease in return on capital employed due to decrease in EBIT of the company.

k) Return on investments = Income generated from investments divided by time weighted average investments

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Income generated from investments	-	-	
Investments	0.75	0.75	
Ratio (in %)	-	-	-

47. Other Regulatory information

- (i) The Company neither have any Benami property, nor any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami transactions (Prohibitions) Act,1988.
- (ii) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act,2013.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC)beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner

Notes to the Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

- whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
 - (viii) There is no Immovable Properties Title deeds of those are not held in the name of the Company.
 - (ix) The company has no investment property and accordingly its fair valuation is not required at year end.
 - (x) No revaluation of Property, Plant & Equipment (Including ROU) & Intangible assets has been carried out during the year.
 - (xi) The Company has not granted loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are:
 - (a) repayable on demand; or
 - (b) without specifying any terms or period of repayment.
 - (xii) The company has not defaulted on loan from any bank or financial Institution or other lender
 - (xiii) Compliance with approved Scheme(s) on the basis of security of current assets - Not Applicable
 - (xiv) The company has borrowings from banks, secured by hypothecation of inventories and by a charge on book debts and other assets of the company, and quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of accounts without any material discrepancies.
 - (xv) The company is not declared wilful defaulter by any bank or financial institution or other lender.
 - (xvi) The company has complied with number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (restriction on number of layers) Rules, 2017.
 - (xvii) The company has used the borrowings from bank for specific purpose for which it was taken at the balance sheet date.

Notes to the Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)***48. Research and Development Expenditure****A. Summary of R&D Expenditure**

Particulars	31 March 2025	31 March 2024
Research expenses (expensed)	42.60	68.09
Development costs (capitalized)	109.40	-
CWIP(Capitalized)	19.67	-
Amortization of capitalized assets	4.27	-
Government grants received	-	-

B. Movement in Capitalized Development Costs

Particulars	31 March 2025	31 March 2024
Opening balance	-	-
Add: Costs capitalized during year	129.07	-
Less: Amortization	4.27	-
Closing balance	124.80	-

C. Description of Capitalized Projects

During the year, the Company capitalized development costs related to the following projects:

- Reduce Steam Demand In Sugar Processing From 25-26% To 20%
- Development Of Low Temperature Evaporator (Lte®)
- Reduce Steam Demand In Sugar Processing From 47% To 27% At Dewan Sugars Ltd., Moradabad, Uttar Pradesh
- Development Of Vertical Mvr Based Plate Falling Film Evaporator (Pffe)
- Development Of Mechanical Vapour Recompression (Mvr) Based Low Temperature Evaporator
- Development Of Energy Efficient Method For Jaggery Production: Targets Achieved
- Development Of Process For Biomass Gasification
- Development Of Paddle Vacuum Dryer
- Bagasse Super-Heated Steam Dryers
- Biomass/Bagasse To Ethanol Production

These projects are expected to generate future economic benefits through enhanced operational efficiency and regulatory alignment.

Notes to the Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)*

D. Amortization Policy

Capitalized development costs are amortized over a period of 5 years using the straight-line method. The amortization expense is included under “Depreciation and Amortization” in the Statement of Profit and Loss.

49. Regrouping/Reclassification

Appropriate adjustments have been made in the Standalone Ind AS Financial Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the Ind AS presentation requirements. These amendments do not have any impact on the standalone Ind AS financial statements.

As per report of even date

For Ashwani K Gupta & Associates
Chartered Accountants

For and on behalf of the Board of Directors
Spray Engineering Devices Limited

Firm's Registration No. 003803N

Sd/-

Paras Gupta
Partner
Membership No.:546125
UDIN: 25546125BMKYTH6107

Sd/-

Vivek Verma
Managing Director
DIN : 00032970

Sd/-

Vimarsh Verma
Additional Director
DIN : 11030760

Place: Mohali
Date : 07-10-2025

Sd/-

Rinkal Goyal
Company Secretary
Membership No. F11321

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPRAY ENGINEERING DEVICES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SPRAY ENGINEERING DEVICES LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. In our opinion, there is no Key Audit Matter to be reported.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, standalone financial statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the

other information, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Boards of Directors/Trustees of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Boards of Directors/Trustees of the entities included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intends to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors/Trustees of the entities included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial 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 and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls with reference to Consolidated 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Statements.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

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

Other Matters

1. We have not carried out the audit of the two subsidiary Companies namely SED Engineers & Fabricators Private Limited and Sustainable Environment Developers Limited (collectively referred to as "Subsidiaries"), We have relied on the audited financial statements of these subsidiaries namely for the Year ended March 31, 2025, which have been incorporated in the consolidated financial statements. The annual financial statements of subsidiaries reflect total assets of Rs. 41.96 millions as at March 31, 2025 (Previous year Rs. 11.58 millions), total revenues of Rs 229.23 millions (Previous year Rs. 19.82 millions) and net cash inflows/(Outflows) amounting Rs. 1.30

million for the year ended on that date (Previous year Rs. 0.81 million).

2. As per the information and explanations given to us by the Management, the financial statements / financial information of one (1) associate namely, Ipro Sugar Engineering Private Limited, wherein the investment is at Rs. 0.25 million in the consolidated audited financial statements, has not been considered in the consolidated financial statements as it is not material to the Group. In our opinion and according to the information and explanations given to us by the management, the financial information of this associate is not material to the Group.
3. These annual financial statements, as approved by the Board of Directors of the subsidiary companies have been furnished to us by the management, and our report, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the reports of their auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - b) In our opinion, proper books of account as required by law maintained by the Group, including relevant records relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act.
 - d) On the basis of the written representations received from the directors of the Company as on March 31, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
 - e) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- h) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 35 to the Consolidated Financial Statements.
 - ii) The Group did not have any long-term derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
 - iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, outside the Group, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013. Accordingly, the clause is not applicable.
 - vi) Based on our examination which included test checks, performed by us on the Company and its subsidiaries incorporated in India, except for the instances mentioned below, have used accounting softwares for maintaining their respective books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and

the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.

The financial statements of two subsidiaries which are also part to the Consolidated Financial Statements of the Group, have not been audited by us under the provisions of the Act as on date. However we have obtained Audit reports of these companies which have been audited by the Other Auditors, and the companies are in compliance of the reporting.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the Auditor's Reports on the financial statements of Company and its subsidiaries as at and for the year ended March 31, 2025, included in the Consolidated Financial Statements of the Group, we report in respect of those companies where audits have been completed under section 143 of the Act, we have not reported any qualifications or adverse remarks. However one of the subsidiary financial statements had emphasis of matter paragraph regarding Net worth erosion.

For Ashwani.K.Gupta & Associates
Chartered Accountants
(Firm's Registration No. 003803N)

Place: Mohali
Date: 07 October 2025

Paras Gupta
Partner
(Membership No.546125)
UDIN: 25546125BMKYTL4167

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of SPRAY ENGINEERING DEVICES Limited of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to Consolidated Financial Statements of **SPRAY ENGINEERING DEVICES LIMITED** (hereinafter referred to as the “Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Boards of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”) and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Ashwani.K.Gupta & Associates
Chartered Accountants
(Firm's Registration No. 003803N)

Paras Gupta
Partner
(Membership No.546125)
UDIN: 25546125BMKYTL4167

Place: Mohali
Date:07 October 2025

SPRAY ENGINEERING DEVICES LIMITED
CIN-U00000CH2004PLC027625
Consolidated Balance Sheet as at 31 March 2025
(Amount in INR millions, except for share data unless otherwise stated)

Particulars	Notes	31 March 2025	31 March 2024
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment	3	880.28	761.00
(b) Right-of-use assets	4	148.69	27.08
(c) Intangible assets	3a	114.40	14.72
(d) Intangible assets under development	3b.1	19.67	-
(e) Capital work-in-progress	3b.2	112.96	131.93
(f) Financial assets			
(i) Investments	5	0.25	0.25
(ii) Other financial assets	6	17.61	4.44
(g) Deferred tax assets (net)	7	-	-
(h) Other non-current assets	8	33.44	36.84
Total non-current assets		1,327.30	976.26
(2) Current Assets			
(a) Inventories	9	1,142.45	760.51
(b) Financial assets			
(i) Investments	10	5.29	4.10
(ii) Trade receivables	11	1,142.25	868.04
(iii) Cash and cash equivalents	12	23.30	4.10
(iv) Bank balance other than (iii) above	12	106.87	112.29
(v) Other financial assets	13	2.62	1.66
(c) Current tax assets (net)	14	-	-
(d) Other current assets	15	446.18	294.87
Total current assets		2,868.96	2,045.57
TOTAL ASSETS		4,196.26	3,021.83
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	250.96	225.87
(b) Other Equity	17	1,799.35	1,006.92
Total Equity		2,050.31	1,232.79
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	177.17	209.93
(ia) Lease Liabilities	19	106.44	18.04
(b) Provisions	20	65.83	52.27
(c) Deferred tax liabilities (net)	7	33.58	31.04
Total non-current liabilities		383.02	311.28
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	621.14	542.60
(ia) Lease liabilities		27.49	4.28
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	22	78.18	52.17
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		342.20	507.86
(b) Other current liabilities	23	636.82	218.80
(c) Provisions	24	27.29	27.58
(d) Current tax liabilities (net)	14	29.81	124.47
Total current liabilities		1,762.93	1,477.76
TOTAL EQUITY AND LIABILITIES		4,196.26	3,021.83

Corporate information 1

Summary of material accounting policies 2

Notes to the financial statements 3-49

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

As per our report of even date

For Ashwani k Gupta & Associates

 Chartered Accountants
 FRN. 003803N

Sd/-

Paras Gupta

 Partner
 Membership No. 546125
 UDIN: 25546125BMKYTL4167

For and on behalf of the Board of Directors
Spray Engineering Devices Limited

Sd/-

Vivek Verma
 Managing Director
DIN: 00032970

Sd/-

Vimarsh Verma
 Additional Director
DIN:11030760

Sd/-

Place: Mohali
Date: 07-10-2025
Rinkal Goyal
 Company Secretary
 Membership No. F11321

Statement of Consolidated Profit and Loss for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Particulars	Notes	31 March 2025	31 March 2024
I Revenue from operations	25	4,609.71	5,473.45
II Other income	26	8.55	9.34
III Total Income (I+II)		4,618.26	5,482.79
IV Expenses			
Cost of Material Consumed	27	3,023.35	3,405.82
Purchase of stock in trade	28	-	-
(Increase)/Decrease in inventories of finished goods, stock-in-trade and WIP	29	(117.03)	62.00
Employee benefit expense	30	538.48	465.61
Finance Costs	31	114.50	98.91
Depreciation and amortization expense	32	76.14	49.30
Other expenses	33	777.22	657.80
Total Expenses (IV)		4,412.66	4,739.44
V Profit/(Loss) before exceptional items (III-IV)		205.60	743.35
VI Exceptional items			
VII Profit/(Loss) before tax (V-VI)		205.60	743.35
VIII Tax Expense			
(1) Current Tax		49.70	151.30
(2) Deferred Tax		3.45	60.50
Taxation of earlier years		2.25	-
Total Tax Expense		55.40	211.80
IX Profit/(Loss) for the year from continuing operations (VII-VIII)		150.20	531.55
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(3.63)	(6.08)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.91	(1.77)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other comprehensive income(Loss)		(2.72)	(7.85)
XI Total comprehensive income (IX+X)(Comprising Profit/(Loss) and other comprehensive income(loss) for the year		147.48	523.70
XII Earning per equity share of ₹ 10/- each	34		
Basic (in ₹)		5.95	23.19
Diluted (in ₹)		5.95	23.19

Corporate information	1
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The accompanying notes form an integral part of the financial statements.

As per our report of even date

For Ashwani k Gupta & AssociatesChartered Accountants
FRN. 003803N

Sd/-

Paras GuptaPartner
Membership No. 546125
UDIN: 25546125BMKYTL4167**For and on behalf of the Board of Directors of
Spray Engineering Devices Limited**

Sd/-

Vivek Verma
Managing Director
DIN : 00032970

Sd/-

Vimarsh Verma
Additional Director
DIN:11030760

Sd/-

Place: Mohali
Date: 07-10-2025**Rinkal Goyal**
Company Secretary
Membership No. F11321

Statement of Consolidated Cash Flows for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Particulars	31 March 2025	31 March 2024
(A) Cash flow from operating activities		
Profit/(Loss) before tax	201.97	737.27
Adjustments for:		
- Depreciation/amortization	76.14	49.30
- Bad debts written off	-	30.18
- (Gain)/Loss on sale of property, plant & equipment	(0.16)	-
- (Gain)/Loss on Fair Valuation of Investments	(0.20)	(0.99)
- Finance cost	114.50	98.91
- Interest income	(6.90)	(7.08)
Operating profit before working capital changes	385.35	907.59
Movements in working capital :		
- Increase/(decrease) in trade payables	(139.65)	147.27
- Increase/(decrease) in other current liabilities and provisions	431.28	(578.74)
- Decrease/(increase) in trade receivables	(274.21)	(297.40)
- Decrease/(increase) in inventories	(381.93)	18.42
- Decrease/(increase) in other current/non-current assets	(162.05)	64.18
Cash generated from/(used in) operations	(141.21)	261.32
- Income tax paid (net of refunds)	(146.60)	(70.17)
Net cash flow from/ (used in) operating activities (A)	(287.81)	191.15
(B) Cash flows from investing activities		
- Purchase of PPE including capital work-in-progress and intangible assets	(279.86)	(301.03)
- (Increase)/decrease in other bank balances	5.42	17.10
- Proceeds from sale of property, plant and equipment	2.29	-
- Interest income	6.90	7.08
- (Increase)/decrease in Investments	(1.00)	(1.01)
- (Increase)/Derecognition of ROU Assets	(139.69)	-
Net cash flow from/(used in) investing activities (B)	(405.94)	(277.86)
(C) Cash flows from financing activities		
- Proceed from issue of shares	670.05	-
- Proceeds/(repayment) of long-term borrowings	76.49	0.19
- Proceeds/(repayment) of short-term borrowings	80.91	175.46
- Finance cost	(114.50)	(98.91)
Net cash flow from/(used in) in financing activities (C)	712.95	76.74
Net increase/(decrease) in cash and cash equivalents (A + B + C)	19.20	(9.97)
Cash and cash equivalents at the beginning of the year	4.10	14.07
Cash and cash equivalents at the end of the year	23.30	4.10
Components of cash and cash equivalents		
- Cash on hand (refer note 12)	0.18	0.10
- On Current account (refer note 12)	23.12	4.00
Cash and cash equivalents	23.30	4.10

Corporate information	1
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Notes to the financial statements	3-49

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

As per our report of even date

For Ashwani k Gupta & Associates

Chartered Accountants
FRN. 003803N

Sd/-

Paras Gupta

Partner
Membership No. 546125
UDIN: 25546125BMKYTL4167For and on behalf of the Board of Directors
Spray Engineering Devices Limited

Sd/-

Vivek Verma
Managing Director
DIN: 00032970

Sd/-

Vimarsh Verma
Additional Director
DIN:11030760Place: Mohali
Date: 07-10-2025Rinkal Goyal
Company Secretary
Membership No. F11321

SPRAY ENGINEERING DEVICES LIMITED

CIN-U00000CH2004PLC027625

Consolidated Statement of Changes in Equity for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

A. Equity share capital

Particulars	31 March 2025		31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	2,25,86,781	225.87	22586781	225.87
Changes during the year	25,09,642	25.10	-	-
Balance at the end of the year	2,50,96,423	250.96	22586781	225.87

B. Other equity (refer note 17)

Particulars	Securities Premium	Retained earnings	Total
Balance as at 01 April 2023	613.01	(129.79)	483.22
Add : Addition during the year	-	-	-
Less : Utilised during the year	-	-	-
Add : Profit for the year	-	531.55	531.55
Add : Other comprehensive income (loss) for the year	-	(7.85)	(7.85)
Balance as at 31 March 2024	613.01	393.91	1,006.92
Balance as at 01 April 2024	613.01	393.91	1,006.92
Add : Addition during the year	695.17	-	695.17
Less : Utilised during the year	50.22	-	50.22
Add : Profit for the year	-	150.20	150.20
Add : Other comprehensive income (loss) for the year	-	(2.72)	(2.72)
Balance as at 31 March 2025	1257.96	541.39	1,799.35

Corporate information	1
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The accompanying notes form an integral part of the financial statements.

As per our report of even date

For Ashwani k Gupta & Associates

Chartered Accountants
FRN. 003803N

Sd/-

Paras Gupta
Partner
Membership No. 546125
UDIN: 25546125BMKYTL4167

For and on behalf of the Board of Directors

Spray Engineering Devices Limited

Sd/-

Vivek Verma
Managing Director
DIN: 00032970

Sd/-

Vimarsh Verma
Additional Director
DIN:11030760

Sd/-

Rinkal Goyal
Company Secretary
Membership No. F11321

Place: Mohali
Date: 07-10-2025

SPRAY ENGINEERING DEVICES LIMITED

CIN-U00000CH2004PLC027625

Notes to the Consolidated Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)***Note 3b.1: Capital work-in-progress (CWIP) aging schedule****31 March 2025**

Particulars	Amount in capital work-in-progress for a period of				Total
	< 1 year	1 to 2 years	2 to 3 years	> 3 years	
i) Projects in progress	26.32	0.18	78.93	7.53	112.96
ii) Projects temporarily suspended	-	-	-	-	-
Total	26.32	0.18	78.93	7.53	112.96

31 March 2024

Particulars	Amount in capital work-in-progress for a period of				Total
	< 1 year	1 to 2 years	2 to 3 years	> 3 years	
i) Projects in progress	45.47	78.93	7.53	-	131.93
ii) Projects temporarily suspended	-	-	-	-	-
Total	45.47	78.93	7.53	-	131.93

Note 3b.2: Intangible assets under development aging schedule**31 March 2025**

Particulars	Amount in capital work-in-progress for a period of				Total
	< 1 year	1 to 2 years	2 to 3 years	> 3 years	
i) Projects in progress	19.67	-	-	-	19.67
ii) Projects temporarily suspended	-	-	-	-	-
Total	19.67	-	-	-	19.67

31 March 2024

Particulars	Amount in capital work-in-progress for a period of				Total
	< 1 year	1 to 2 years	2 to 3 years	> 3 years	
i) Projects in progress	-	-	-	-	-
ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Note 3: Property, Plant and Equipment (PPE)

Particulars	Freehold Land	Factory Buildings	Office Building	Plant & Machinery	Furniture & Fixtures	Computer & Data Processing Units	Office Equipments	Motor Vehicles	Total
Gross carrying value as of 01 April 2024	32.38	224.17	257.61	532.67	27.59	30.26	21.67	44.89	1,171.24
Additions	-	52.94	-	94.59	-	3.76	5.60	11.40	168.29
Disposals	-	-	-	2.25	-	-	-	0.41	2.66
Gross carrying value as of 31 March 2025	32.38	277.11	257.61	625.01	27.59	34.02	27.27	55.88	1,336.87
Accumulated depreciation as of 01 April 2024	-	109.54	5.42	223.23	15.84	21.59	16.71	17.91	410.24
Depreciation charge for the year	-	7.92	4.08	21.90	1.36	4.46	1.84	5.32	46.88
Disposals	-	-	-	0.13	-	-	-	0.40	0.53
Accumulated depreciation as of 31 March 2025	-	117.46	9.50	245.00	17.20	26.05	18.55	22.83	456.59
Net Carrying value as of 31 March 2025	32.38	159.65	248.11	380.01	10.39	7.97	8.72	33.05	880.28

Note 3a: Intangible assets

Particulars	Package & software	Patent, Drawing & Copyrights	Total
Gross carrying value as of 01 April 2024	79.33	10.97	90.30
Additions	1.47	109.40	110.87
Disposals	-	-	-
Gross carrying value as of 31 March 2025	80.80	120.37	201.17
Accumulated depreciation as of 01 April 2024	64.61	10.97	75.58
Depreciation charge for the year	6.92	4.27	11.19
Disposals	-	-	-
Accumulated depreciation as of 31 March 2025	71.53	15.24	86.77
Net Carrying value as of 31 March 2025	9.27	105.13	114.40

Note 3b.1 and 3b.2: Intangible assets under development and Capital work-in-progress

Particulars	Intangible Assets under development	Capital Work-in-progress
Balance as on 01 April 2023	-	128.50
Add: Additions during the year	-	144.83
Less: Capitalised/expense out during the year	-	141.40
Balance as on 31 March 2024	-	131.93
Balance as on 01 April 2024	-	131.93
Add: Additions during the year	19.67	33.98
Less: Capitalised/expense out during the year	-	52.95
Balance as on 31 March 2025	19.67	112.96

SPRAY ENGINEERING DEVICES LIMITED

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Notes to the Consolidated Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)***Note: 4 Right-of-use Assets**

The details of the Line Items of Right-of-use Assets is as follows:-

Particulars	31 March 2025	31 March 2024
<u>Buildings</u>		
Gross Carrying Value at the Beginning of the year	11.64	11.64
Additions	42.60	-
Deletions	-	-
Gross carrying value at the end of the year	54.24	11.64
Accumulated depreciation at the beginning of the year	11.64	7.75
Depreciation charge for the year	10.65	3.89
Deletions	-	-
Accumulated depreciation at the end of the year	22.29	11.64
Net Carrying Value at the end of the year (A)	31.95	-
<u>Plant & Machinery</u>		
Gross Carrying Value at the Beginning of the year	28.75	8.25
Additions	97.08	20.50
Deletions	-	-
Gross carrying value at the end of the year	125.83	28.75
Accumulated depreciation at the beginning of the year	1.67	0.20
Depreciation charge for the year	7.42	1.47
Deletions	-	-
Accumulated depreciation at the end of the year	9.09	1.67
Net Carrying Value at the end of the year (B)	116.74	27.08
Total Carrying Value (A+B)	148.69	27.08

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Notes to the Consolidated Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)***NOTE 5: NON-CURRENT FINANCIAL ASSET - INVESTMENTS**

Particulars	31 March 2025			31 March 2024		
	Face Value per share (in ₹)	Number of Shares	Value	Face Value per share (in ₹)	Number of Shares	Value
<u>Investment in equity instruments (at cost)</u>						
Equity shares of Associate fully paid up (unquoted)						
IPRO Sugar Engineering Private Limited	10	25,000	0.25	10	25,000	0.25
Total			0.25			0.25
Less: Provision for impairment on investments			-			-
Total			0.25			0.25
Equity shares of other fully paid up (unquoted)						
Sri Saibaba Sugar Limited	100	3,00,000	30.00	100	3,00,000	30.00
Total			30.00			30.00
Less: Provision for impairment on investments			30.00			30.00
Total			-			-
Aggregate amount of quoted investments and market value thereof			-			-
Aggregate amount of unquoted investments			30.25			30.25
Aggregate amount of impairment in value of investments			30.00			30.00

Notes to the Consolidated Financial Statements for the year ended 31 March 2025
(Amount in INR millions, except for share data unless otherwise stated)
NOTE 6: NON-CURRENT FINANCIAL ASSET - OTHER FINANCIAL ASSETS

Particulars	31 March 2025	31 March 2024
Unsecured, considered good		
Security deposits	17.61	4.22
Balance with banks-deposits accounts with original maturity more than 12 months	-	0.22
Total	17.61	4.44

NOTE 7: DEFERRED TAX ASSETS/(LIABILITIES) (NET)

Particulars	01 April 2024	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	31 March 2025
Deferred tax liability				
Property, plant & equipments and intangible assets	56.50	4.00	-	60.50
Right of Use Assets	7.89	29.54	-	37.43
Remeasurements of Financial Liabilities at effective interest method	0.62	(0.19)	-	0.43
Gross deferred tax liability (A)	65.01	33.35	-	98.36
Deferred tax asset				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	26.34	1.26	0.91	28.51
Expected credit loss allowance on trade receivables		-		-
Lease liabilities	6.50	27.21		33.71
Remeasurements of Financial Assets at Amortised Cost	0.66	1.74		2.40
Sub total	33.50	30.21	0.91	64.62
Unused Tax Credits				
Minimum Alternate Tax	0.47	(0.31)	-	0.16
Gross deferred tax asset (B)	33.97	29.90	0.91	64.78
Net deferred tax (assets)/ liability (A - B)	31.04	3.45	(0.91)	33.58

SPRAY ENGINEERING DEVICES LIMITED**Notes to the Consolidated Financial Statements for the year ended 31 March 2025***(Amount in INR millions, except for share data unless otherwise stated)***NOTE 8: OTHER NON-CURRENT ASSETS**

Particulars	31 March 2025	31 March 2024
Capital Advances	-	-
Advances other than Capital Advances		
- Security Deposits	22.08	25.49
- Other Advances	11.36	11.35
Total	33.44	36.84

NOTE 9: INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

Particulars	31 March 2025	31 March 2024
Raw Material & Components	743.08	486.01
Work-in-progress	241.23	138.98
Finished goods	127.57	112.80
Stores and spares	30.57	22.72
Total	1142.45	760.51

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

NOTE 10: CURRENT FINANCIAL ASSET - INVESTMENTS

Particulars	31 March 2025	31 March 2024
Investments at fair value through Profit & Loss (FVTPL)		
Investment in Mutual Funds (Quoted)		
Canara Robeco Consumer Trends Fund - Regular Growth 8227.572 Units (31 March 2024 - 8227.572 Units)	0.83	0.77
Canara Robeco Equity Hybrid Fund - Regular Growth - 2222.136 Units (31 March 2024- 2222.136 Units)	0.75	0.69
Bank of India Multi Cap Fund - Regular Plan- Growth - 141043.851 Units (31 March 2024 - 141043.851Units)	2.28	2.13
Bank of India MultiAsset Allocation Fund - Regular Plan- Growth - 49997.50 Units (31 March 2024 - 49997.50 Units)	0.54	0.51
Bank of India Business Cycle Fund - Regular Plan- Growth - 49997.50 Units (31 March 2024 - Nil Units)	0.42	-
Bank of India Consumption Fund - Regular Plan- Growth - 49997.50 Units (31 March 2024 - Nil Units)	0.47	-
Investments at Amortised Cost		
Unquoted Investments	-	-
Total Investments	5.29	4.10
Aggregate amount of quoted investments and market value thereof	5.29	4.10
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
Total	5.29	4.10

NOTE 11: CURRENT FINANCIAL ASSET - TRADE RECEIVABLES

Particulars	31 March 2025	31 March 2024
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	1,142.25	868.04
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	39.80	39.80
Less: Allowance for expected credit loss	-	(39.80)
Total	1,142.25	868.04

Movement in expected credit loss allowance of trade receivables	31 March 2025	31 March 2024
Balance at the beginning of the year	39.80	39.80
Add:- Additions during the year	-	-
Less:- Bad debts written off	-	-
Balance at the end of the year	39.80	39.80

SPRAY ENGINEERING DEVICES LIMITED**Notes to the Consolidated Financial Statements for the year ended 31 March 2025***(Amount in INR millions, except for share data unless otherwise stated)***NOTE 12: CURRENT FINANCIAL ASSET - CASH AND CASH EQUIVALENTS**

Particulars	31 March 2025	31 March 2024
(A) Balances with banks:		
-In current accounts	23.12	4.00
-In fixed deposit under lien held as margin money (for credit facility and bank guarantee) maturing within 12 months	106.87	112.29
(B) Cash on Hand	0.18	0.10
Total	130.17	116.39
Cash & cash equivalents	23.30	4.10
Bank Balance other than above	106.87	112.29

NOTE 13: CURRENT FINANCIAL ASSET - OTHER FINANCIAL ASSETS

Particulars	31 March 2025	31 March 2024
Interest accrued but not due on bank fixed deposits	2.62	1.66
Total	2.62	1.66

NOTE 14: CURRENT TAX ASSETS/(LIABILITIES) (NET)

Particulars	31 March 2025	31 March 2024
Provision for taxation (Net of advance tax & TDS)	(29.81)	(124.47)
Total	(29.81)	(124.47)

NOTE 15: OTHER CURRENT ASSETS

Particulars	31 March 2025	31 March 2024
Capital advances	2.52	-
Advances other than capital advances		
- Advances to suppliers		
<i>Unsecured, considered good</i>	354.12	193.65
<i>Unsecured, considered doubtful</i>	1.24	1.24
-Other Advances	89.54	101.22
	447.42	296.11
Less: Allowance for expected credit loss	(1.24)	(1.24)
Total	446.18	294.87

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Notes to the Consolidated Financial Statements for the year ended 31 March 2025
(Amount in INR millions, except for share data unless otherwise stated)
Note 11.1: Trade Receivables aging schedule

Particulars	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	> 3 years	
Undisputed Trade Receivables - considered good						
31 March 2025	468.21	208.37	213.61	125.13	60.91	1076.23
31 March 2024	470.77	100.05	169.02	44.82	17.36	802.02
Undisputed Trade Receivables - which have significant increase in credit risk						
31 March 2025	-	-	-	-	-	-
31 March 2024	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired						
31 March 2025	-	-	-	-	39.80	39.80
31 March 2024	-	-	-	-	39.80	39.80
Disputed Trade Receivables - considered good						
31 March 2025	-	-	4.41	-	61.61	66.02
31 March 2024	-	-	4.41	-	61.61	66.02
Disputed Trade Receivables - which have significant increase in credit risk						
31 March 2025	-	-	-	-	-	-
31 March 2024	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired						
31 March 2025	-	-	-	-	-	-
31 March 2024	-	-	-	-	-	-
Total	468.21	208.37	218.02	125.13	162.32	1182.05
Total	470.77	100.05	173.43	44.82	118.77	907.84
Less:-Allowance for expected credit loss						
31 March 2025	-	-	-	-	39.80	39.80
31 March 2024	-	-	-	-	39.80	39.80
Total Trade Receivables(Net)						
31 March 2025	468.21	208.37	218.02	125.13	122.52	1142.25
31 March 2024	470.77	100.05	173.43	44.82	78.97	868.04

SPRAY ENGINEERING DEVICES LIMITED
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Notes to the Consolidated Financial Statements for the year ended 31 March 2025
(Amount in INR millions, except for share data unless otherwise stated)
NOTE 16: EQUITY SHARE CAPITAL

Particulars	31 March 2025		31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Authorized share capital	4,00,00,000	400.00	4,00,00,000	400.00
Equity shares of ₹ 10/- each with voting rights				
Issued share capital	2,50,96,423	250.96	2,25,86,781	225.87
Equity shares of ₹ 10/- each with voting rights				
Subscribed and fully paid-up share Capital	2,50,96,423	250.96	2,25,86,781	225.87
Equity shares of ₹ 10/- each with voting rights				
Total	2,50,96,423	250.96	2,25,86,781	225.87

Notes:
(a) The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of

The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each of the equity shareholders.

(b) Reconciliation of the number of shares and amount outstanding:

Particulars	31 March 2025		31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	2,25,86,781	225.87	2,25,86,781	225.87
Add: Issued during the year	25,09,642.00	25.09642	-	-
Less: Shares bought back	-	-	-	-
Equity shares outstanding at the end of the year	2,50,96,423	250.96	2,25,86,781	225.87

(c) Detail of shares held by each shareholder holding more than 5% of the total number of equity shares:

Class of shares/name of the shareholders:	31 March 2025		31 March 2024	
	Number of shares held	% Holding in that class of shares	Number of shares held	% Holding in that class of shares
Equity shares with voting rights				
(i) Mr. Vivek Verma (Chairman cum Managing Director)	1,21,93,918	48.59%	1,21,93,918	53.99%
(ii) Mr. Prateek Verma (Whole-time Director)	54,42,730	21.69%	59,42,730	26.31%
(iii) Klondike Investments Ltd.	28,23,348	11.25%	28,23,348	12.50%

(d) Shareholding of promoters:

Shares held by promoters at end of the year Promotor name	31 March 2025		31 March 2024		% change during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
(i) Mr. Vivek Verma (Chairman cum Managing Director)	1,21,93,918	48.59%	1,21,93,918	53.99%	-5.40%
(ii) Mr. Prateek Verma (Whole-time Director)	54,42,730	21.69%	59,42,730	26.31%	-4.62%

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Notes to the Consolidated Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)***NOTE 17: OTHER EQUITY**

Particulars	31 March 2025	31 March 2024
(a) Securities premium		
Balance outstanding at the beginning of the year	613.01	613.01
Add: Additions during the year	695.17	-
Less: Utilised during the year	50.22	-
Balance outstanding at the end of the year	1,257.96	613.01
(b) Retained earnings		
Balance outstanding at the beginning of the year	393.91	(129.79)
Add: Net profit for the year	150.20	531.55
Add :Income on account of OCI	(2.72)	(7.85)
Balance outstanding at the end of the year	541.39	393.91
Total (a+b)	1,799.35	1,006.92

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

NOTE 18: NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	31 March 2025	31 March 2024
Secured		
Term Loans from banks	221.91	257.03
Less: Current maturities of long term borrowings	44.74	47.10
Total	177.17	209.93

i) Vehicle loans of INR 23.66 millions (31 March 2024 - INR 19.81 millions) is in respect of various vehicles which are secured by hypothecation of the vehicles financed. All the loans are repayable in 48 to 60 monthly instalments and carrying interest rate ranging from 7.75% to 9.70% p.a.

ii) INR Nil millions (31 March 2024 - INR 1.52 millions) outstanding of Working Capital Term loan (Total sanctioned limit of INR 14.4 millions) taken from Bank of India at interest rate of 0.65% over RBLR secured by 1st pari passu charge by way of hypothecation of stock/book debts/bills and other chargeable Current assets (present and future) and collaterally secured by 1st pari passu charge by way of hypothecation of entire fixed assets (existing and future) excluding land and building at plot no. 76 Industrial area, baddi; Land and building at plot no. 245-246, Industrial area, Baddi; Land and building at plot no. 395-398 near Cola Cola factory, village billanwali, Baddi; 4 flats situated at Baddi in the name of the company. The loan was further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan was repayable in 36 monthly installements commencing from July,2021 and ending in June,2024.

iii) INR Nil millions (31 March 2024 - INR 1.94 millions) outstanding of Working Capital term loan (Total sanctioned limit of INR 23.3 millions) taken from Canara Bank at interest rate of 1 year MCLR subject to a maximum of 9.25 % p.a. secured by 1st pari passu charge with Bank of India on current assets (present and future) and collaterally secured by 1st pari passu charge with Bank of India on entire fixed assets(existing and future) excluding land and building at plot no. 76 Industrial area, baddi; Land and building at plot no. 245-246, Industrial area, Baddi; Land and building at plot no. 395-398 near Cola Cola factory, village billanwali, Baddi;4 flats situated at Baddi in the name of the company. The loan is further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan was repayable in 36 months installments commencing from July,2021 and ending in June,2024.

iv) INR 7.00 millions (31 March 2024 - INR 11.00 millions) outstanding of Working Capital Term Loan (Total sanctioned limit of INR 12.00 millions) was taken from Canara Bank at interest rate of 1 year MCLR subject to a maximum of 9.25 % p.a. secured by 1st pari passu charge on current assets (present and future) and collaterally secured by entire fixed assets(existing and future) excluding land and building at plot no. 76 Industrial area, baddi, Land and building at plot no. 245-246, Industrial area Baddi, Land and building at plot no. 395-398 near Cola Cola factory, village billanwali, Baddi,4 flats situated at Baddi in the name of the company. The loan is further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan is repayable in 36 months installments commencing from December,2023 and ending in November,2026.

v) INR 4.34 millions (31 March 2024 - INR 6.52 millions) outstanding of Working Capital Term loan (Total sanctioned limit of INR 7.20 millions) taken from Bank of India at interest rate of 0.65% over RBLR secured by 1st pari passu charge by way of hypothecation of stock/ book debts/bills and other chargeable Current assets (present and future) and collaterally secured by entire fixed assets(existing and future)excluding land and building at plot no. 76 Industrial area, baddi, Land and building at plot no. 245-246, Industrial area, Baddi, Land and building at plot no. 395-398 near Cola Cola factory, village billanwali, Baddi, 4 flats situated at Baddi in the name of the company. The loan is further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan is repayable in 36 months installments commencing from November, 2023 and ending in October, 2026.

vi) INR 140.84 millions (31 March 2024 - INR 159.10 millions) outstanding of Term loan for purchase of corporate office (Total sanctioned limit of INR 183.70 millions) taken from Canara Bank at interest rate of RLLR +2.50%+0.80% secured by exclusive EMT of Corporate office at Plot no. C-82,Industrial Area,Phase 7,Mohali and further secured by collateral of land and building at plot no. 76 Industrial area, baddi, Land and building at plot no. 245-246, Industrial area, Baddi, Land and building at plot no. 395-398 near Cola Cola factory, village billanwali, Baddi, 4 flats situated at Baddi in the name of the company and other entire fixed assets(existing & future) of its own share of EMT of Rs. 140.00 millions out of total EMT of Rs. 240.80 millions. The loan is further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan is repayable in 120 monthly installements commencing from December, 2022 and ending in November, 2032.

vii) INR 18.51 millions (31 March 2024 - INR 23.96 millions) outstanding of Term loan for purchase of Plant & Machineries (Total sanctioned limit of INR 32.70 millions) taken from Bank of India at interest rate of 1 year MCLR + BSP 0.30% +CRP 2.08% with monthly rests primarily secured by 1st pari-passu charge by way of hypothecation of Machinery purchased out of bank Finance and further collaterally secured by 1st pari-pasu charge by way of EQM of land and building at plot no. 76 Industrial area, baddi, Land and building at plot no. 245-246, Industrial area, Baddi, Land and building at plot no. 395-398 near Cola Cola factory, village billanwali, Baddi, 4 flats situated at Baddi in the name of the company and 1st pari-pasu charge by way of hypothecation of other entire fixed assets(existing & future) of the company. The loan is further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan is repayable in 72 monthly installements commencing from September, 2023 and ending in August, 2029.

viii) INR 27.59 millions (31 March 2024 - INR 35.30 millions) outstanding of Term loan for purchase of Plant & Machineries (Total sanctioned limit of INR 46.30 millions) taken from Canara Bank at interest rate of RLLR + 2.50% +0.80% primarily secured by 1st pari-pasu charge with Bank of India and further collaterally secured by 1st pari-pasu charge by way of EQM of land and building at plot no. 76 Industrial area, baddi, Land and building at plot no. 245-246, Industrial area, Baddi, Land and building at plot no. 395-398 near Cola Cola factory, village billanwali, Baddi, 4 flats situated at Baddi in the name of the company and 1st pari-pasu charge by way of hypothecation of other entire fixed assets(existing & future) of the company. The loan is further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan is repayable in 72 monthly installements commencing from September, 2023 and ending in August, 2029.

SPRAY ENGINEERING DEVICES LIMITED**Notes to the Consolidated Financial Statements for the year ended 31 March 2025***(Amount in INR millions, except for share data unless otherwise stated)***NOTE 19: NON-CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES**

Particulars	31 March 2025	31 March 2024
Long term maturities of lease liabilities	133.93	22.32
Less: Current maturities of lease liabilities	27.49	4.28
Total	106.44	18.04

NOTE 20: NON-CURRENT FINANCIAL LIABILITIES - PROVISIONS

Particulars	31 March 2025	31 March 2024
Provision for employee benefits		
Gratuity (refer note 40)	52.01	39.10
Leave encashment (refer note 40)	13.82	13.17
Total	65.83	52.27

NOTE 21: CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	31 March 2025	31 March 2024
Loans repayable on demand		
Secured		
From banks		
Cash credit accounts	576.41	397.00
From others		
Cash credit accounts	-	98.50
Current Maturities		
Current maturities of long-term borrowings	44.74	47.10
Current maturities of lease Liabilities	27.49	4.28
Total	648.64	546.88

Notes:-

i) Cash credit limits from banks are primary secured by first pari passu charge on current assets (existing and future) of the company in favour of Canara Bank and Bank of India & collaterally secured by first pari passu charge on Land and Building at Plot no. 76, Industrial area, Baddi, HP (area 2250 Sq. meter), Land and Building at Plot no. 245-246, Industrial area, Baddi, HP (area 1800Sq. meter), Land and Building at Plot no. 395-398, near Coca Cola Factory, Village- Billanwali, Baddi, HP, EMT of 4 Flats located at Baddi, HP standing in the name of the Company and EMT of vacant Plot no.8, myst aertown, Dyalpura, Zirakpur, SAS Nagar, Punjab (area 500 sq yards) standing in the name of Mr. Vivek Verma.

ii) Secured loans are further secured by personal guarantee of the promoters namely Mr. Vivek Verma and Mr. Prateek Verma.

NOTE 22: CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	31 March 2025	31 March 2024
Total outstanding dues of micro and small enterprises	78.18	52.17
Total outstanding dues of creditors other than micro and small enterprises	342.20	507.86
	420.38	560.03

NOTE 22.1: Disclosure under section 22 of the MSMED Act, 2006

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with the company. Disclosure in respect of amount remaining unpaid and interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under:

Particulars	31 March 2025	31 March 2024
(a) the principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
'- principal	78.18	52.17
'- interest	-	-
(b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(d) the amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(e) the amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	-	-

SPRAY ENGINEERING DEVICES LIMITED**Notes to the Consolidated Financial Statements for the year ended 31 March 2025***(Amount in INR millions, except for share data unless otherwise stated)***NOTE 23: OTHER CURRENT LIABILITIES**

Particulars	31 March 2025	31 March 2024
Advances from customers	407.29	163.32
Statutory dues payable	12.31	9.99
Other liabilities & payables	217.22	45.49
	636.82	218.80

NOTE 24: CURRENT FINANCIAL LIABILITIES - PROVISIONS

Particulars	31 March 2025	31 March 2024
Provision for employee benefits		
Gratuity (refer note 40)	8.80	7.05
Leave encashment (refer note 40)	4.36	3.39
	13.16	10.44
Others		
Provision for warranty (refer note 44)	3.32	6.33
Provision for performance (refer note 44)	10.81	10.81
	14.13	17.14
Total	27.29	27.58

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

NOTE 25: REVENUE FROM OPERATIONS

Particulars	31 March 2025	31 March 2024
Sale of products	4,355.13	5,165.66
Erection,commissioning and related services	186.09	235.51
Other operating revenues (refer note 25.1)	68.49	72.28
Total	4,609.71	5,473.45

Note 25.1: Other operating revenues

Particulars	31 March 2025	31 March 2024
Export Incentives	7.34	24.07
Sale of scrap	61.15	48.21
Total	68.49	72.28

NOTE 26: OTHER INCOME

Particulars	31 March 2025	31 March 2024
(a) Interest income	6.90	7.08
(b) Other non-operating income:		
Gain on fair valuation of investments	0.20	0.99
Provisions written back	-	1.27
Gain/Loss on Foreign Exchange Fluctuations (Net)	1.08	-
Gain on disposal of property,plant & equipment	0.16	-
Miscellaneous Income	0.21	-
Total	8.55	9.34

NOTE 27: COST OF MATERIAL CONSUMED

Particulars	31 March 2025	31 March 2024
Inventory at the beginning of the year	486.01	441.79
Add: Purchases during the year	3,280.42	3,450.04
Less: Inventory at the end of the year	743.08	486.01
Raw material and components consumed	3,023.35	3,405.82

NOTE 28: PURCHASE OF STOCK-IN-TRADE

Particulars	31 March 2025	31 March 2024
Purchases of stock-in-trade	-	-
Total	-	-

NOTE 29: (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	31 March 2025	31 March 2024
Closing Stock:		
Work-in-progress	241.23	138.97
Finished goods	127.57	112.80
Total	368.80	251.77
Opening Stock:		
Work-in-progress	138.97	219.12
Finished goods	112.80	94.65
Total	251.77	313.77
(Increase)/Decrease in inventories	(117.03)	62.00

SPRAY ENGINEERING DEVICES LIMITED

CIN-U00000CH2004PLC027625

Notes to the Consolidated Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)***Note 22.2: Trade Payables aging schedule**

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 Year	1 to 2 years	2 to 3 years	> 3 years	
Outstanding dues of micro and small enterprises					
31 March 2025	73.16	4.52	0.39	0.11	78.18
31 March 2024	51.31	0.56	0.23	0.06	52.16
Outstanding dues of creditors other than micro and small enterprises					
31 March 2025	276.30	29.06	6.15	23.23	334.74
31 March 2024	397.68	60.74	24.21	17.78	500.41
Disputed dues of micro and small enterprises					
31 March 2025	-	-	-	-	-
31 March 2024	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises					
31 March 2025	-	-	-	7.46	7.46
31 March 2024	-	-	-	7.46	7.46
Total Trade Payables					
31 March 2025	349.46	33.58	6.54	30.80	420.38
31 March 2024	448.99	61.30	24.44	25.30	560.03

SPRAY ENGINEERING DEVICES LIMITED
CIN-U00000CH2004PLC027625
Notes to the Consolidated Financial Statements for the year ended 31 March 2025
(Amount in INR millions, except for share data unless otherwise stated)
NOTE 30: EMPLOYEE BENEFITS EXPENSE

Particulars	31 March 2025	31 March 2024
Salaries, wages and bonus	463.06	408.18
Directors remuneration	14.41	10.22
Contribution to provident and other funds	21.79	17.22
Gratuity and EL expenses (refer note 40)	16.62	14.45
Staff welfare expenses	22.60	15.54
Total	538.48	465.61

NOTE 31: FINANCE COSTS

Particulars	31 March 2025	31 March 2024
Interest expense		
- on Term Loans	24.12	28.34
- on Working Capital Facilities	34.61	38.24
- on Lease Liabilities	11.65	1.50
Other borrowing costs	44.12	30.83
Total	114.50	98.91

NOTE 32: DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	31 March 2025	31 March 2024
Depreciation of Property, plant & equipment	46.88	38.44
Depreciation/amortization of right-of-use assets	18.07	5.36
Amortization of intangible assets	11.19	5.50
Total	76.14	49.30

NOTE 33: OTHER EXPENSE

Particulars	31 March 2025	31 March 2024
Consumption of Stores & spares	13.49	16.47
Other Manufacturing Expenses:		
Power and Electricity Charges	51.73	32.02
Project Site Expenses	193.96	156.44
Repair & Maintenances:		
'- Plant & Machinery	31.82	9.49
'- Building	6.85	16.50
Administration, Selling and other expenses:		
Freight, Cartage and Octroi (Net)	86.48	109.90
CSR Expenses (refer note 36)	9.05	4.34
Selling Expenses	48.02	86.69
Travel & Conveyance	61.00	39.00
Rent	23.41	10.08
Rates and Taxes	6.92	3.51
Insurance	7.98	3.85
Payment to auditors		
'- Statutory audit fees	1.08	1.08
Warranty Expenses	20.00	17.72
Vehicle and other maintenances	43.77	28.19
Advertisement, Publicity and Sales Promotion	22.19	10.01
Communication Cost	4.69	3.61
Legal & Professional Charges	79.88	39.03
Bad debts written off	-	30.18
Balances written off	9.35	-
Other Miscellaneous Expenses	31.64	18.39
Website and Software Expenses	23.91	18.64
Gain/Loss on Foreign Exchange Fluctuations (Net)	-	2.66
Total	777.22	657.80

Notes to the Consolidated Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)***NOTE 34: EARNINGS PER SHARE**

Particulars	31 March 2025	31 March 2024
i) Net profit available to equity shareholders	147.48	523.70
ii) Weighted average number of equity shares outstanding during the year for the purpose of calculation of earning per share	2,47,82,718	2,25,86,781
iii) Nominal value of equity share (in ₹)	10.00	10.00
iv) Basic earning per share(in ₹)	5.95	23.19
v) Diluted earning per share(in ₹)	5.95	23.19

1 Corporate Information

Spray Engineering Devices Limited ('SEDL' or 'the company'/'the parent company') is a public limited company domiciled in India and incorporated under the provisions of Indian Companies Act. The company's registered office is at Plot no. 25, Industrial Area, Phase – II, Chandigarh -160002, India and its corporate office is at Plot No. C-82, Industrial Area, Phase -VII, Mohali – 16055, Punjab, India. The Company is an "Innovative Technological Solutions" provider of manufacturing Equipment for Sugar & Allied Industries and Zero Liquid Discharge (ZLD) solution for Wastewater from two decades, specialized in Vaporization, Condensation, Evaporation, Heat Exchange, Crystallization and Sugar Refining.

The Company caters to both domestic and international markets. Further, the Company also provides design and engineering services.

The Company together with its subsidiaries is hereinafter referred to as "the Group".

2 Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements.

2.1 Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable to the consolidated financial statements and other relevant provisions of the Act.

These financial statements were approved for issue by the Company's Board of Directors on October 7, 2025

Function and presentation currency

The functional currency of the Company is the Indian rupee. These consolidated financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest millions, up to two places of decimal, unless otherwise indicated.

Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on alternative basis on each reporting date:

Items	Measurement basis
Derivative financial instruments at fair value through profit or loss	Fair value
Certain non-derivative financial instruments at fair value through profit or loss and fair value through other comprehensive income	Fair value
Defined benefit plan assets	Fair value
Equity settled share-based payment transactions	Grant date Fair value

(b) Use of estimates and judgements

In preparation of these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the Consolidated Financial Statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

Detailed information about each of these estimates and judgements is included in relevant notes.

The areas involving critical estimates and judgements are:

- Estimation of current tax expense and payable
- Estimation of defined benefit obligation
- Recognition of revenue
- Recognition of deferred tax assets for carried forward tax losses
- Impairment of trade receivables

(c) Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Statement of Assets and Liabilities based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The group has identified twelve months as its operating cycle.

(d) Basis of consolidation

The Consolidated Financial Statements comprises the financial statements of the Parent Company and its subsidiaries as at 31 March 2025. The Company determines the basis of control in line with the requirement of Ind AS 110 Consolidated Financial Statements. Subsidiaries are entities controlled by the Company.

The Company controls an entity when it is exposed to, or has rights to, variable returns from its

involvement with the entity and has the ability to affect those returns through its power over the entity. Specifically, the Company controls an entity if and only if the Company has:

- Power over the entity (i.e. existing rights that give it the current ability to direct the relevant activities of the entity)
- Exposure, or rights, to variable returns from its involvement with the entity, and
- The ability to use its power over the entity to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights
- The size of the Group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries considered in consolidation :

Name of subsidiary	Country of incorporation	Percentage of ownership	
		31 March 2025	31 March 2024
SED Engineers & Fabricators Private Limited	India	100%	100%
Sustainable Environment Developers Limited	India	100%	100%

The financial statements/financial information of one (1) associate namely, IPRO Sugar Engineering Private Limited, wherein the parent invested INR 0.25 million has not been considered in the consolidated financial statements as it is not material to the Group.

Consolidation procedure:

The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s financial statement in preparing the consolidated financial statements to ensure conformity with the Group’s accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial

information of the subsidiary, unless it is impracticable to do so.

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, the income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognized at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. In case of leases acquired as part of business combination, the Group measures a right-of-use asset at the same amount as the lease liability. However, if the lease terms are favorable or unfavorable when compared with market terms, then the right-of-use asset is adjusted by the fair value of the off-market terms. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognized in the Consolidated Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognized in the Consolidated Statement of Profit and Loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in the Consolidated Statement of Profit and Loss.

2.2 Property, plant and equipment

- **Recognition and measurement**

Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under 'Other non-current assets'.

- **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day- to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as incurred.

- **Disposal**

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Net gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/ expenses in the statement of profit and loss.

- **Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the company based on technical evaluation. Freehold land is not depreciated.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Useful life (in years)
Buildings	30-60
Plant and Machinery	7.5-15
Computers and office equipment	3-5
Motor Vehicles	8
Furniture and fixtures	10

2.3 Intangible assets

- **Recognition and measurement**

Intangible assets are recognized when the asset is identifiable, is within the control of the company, it is probable that the future economic benefits that are attributable to the asset will flow to the company and cost of the asset can be reliably measured.

Expenditure on research activities is recognized in the statement of profit and loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the company intends to and has sufficient resources to complete development and to use or sell the asset.

Intangible assets acquired by the company that have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

- **Subsequent measurement**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

- **Amortization**

Amortization is calculated on the cost of the asset, or other amount substituted for cost, less its residual value. Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for current and comparative periods are as follows:

Assets	Useful life (in years)
Software	3
Technical know-how	5-10

2.4 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property.

Investment property is initially measured at cost, including related transaction costs. The cost of investment property includes its purchase price and directly attributable expenditure, if any. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

After the initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation on investment property has been provided in a manner that amortizes the cost of the assets over their estimated useful lives on straight line method as per the useful life prescribed under Schedule II to the Act. Investment property in the form of land is not depreciated.

Investment property is derecognized either when it is disposed off or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit and loss in the period of derecognition.

2.5 Impairment of non-financial assets

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where 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 considered.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.6 Inventories

Raw materials, components, stores and spares, work-in-progress and finished goods are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of raw materials, components, stores and spares comprises cost of purchases. Cost of work-in-progress

and finished goods comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory based on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.7 Cash and cash equivalents

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

2.8 Revenue recognition

Revenue is recognized when performance obligation is satisfied by transferring control of promised goods or services and to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the transaction price (consideration) allocated to performance obligation adjusted for returns, trade allowances, rebates, and excludes taxes collected from customer on behalf of government and amounts collected on behalf of third parties.

- **Contract revenue**

Revenue from fixed price contracts is recognized over time, when the outcome of the contract can be estimated reliably by reference to the percentage of completion of the contract on the reporting date under input method. Percentage of completion is determined as a proportion of costs incurred-to-date to the total estimated contract costs. In respect of process technology and design and engineering contracts percentage of completion is measured with reference to the milestones specified in the contract, which in the view of the management reflects the work performed and to the extent it is reasonably certain of recovery.

Contract costs include costs that relate directly to the specific contract and costs that are attributable to the contract activity and allocable to the contract. Costs that cannot be attributed to contract activity are expensed when incurred.

When the final outcome of a contract cannot be reliably estimated, contract revenue is recognized only to the extent of costs incurred that are expected to be recoverable. The provision for expected loss is recognized immediately when it is probable that the total estimated contract costs will exceed total contract revenue.

Variations, claims and incentives are recognized as a part of contract revenue to the extent it is probable that they will result in revenue and are capable of being reliably measured.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the company, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project/ activity and the foreseeable losses to completion.

Execution of contracts necessarily extends beyond accounting periods. Revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known.

- **Sale of goods and rendering of services**

Revenue from sale of goods in the course of ordinary activities is recognized when control of goods is

transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

Revenue from services is recognized as and when the related services are performed.

2.9 Other Income

Interest income

Interest income from debt instruments is recognized using effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability.

Dividends

Dividends are recognized in the statement of profit and loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount can be measured reliably.

Export benefits

Export benefits in the form of Duty Draw Back/ Merchandise Exports Incentive Scheme (MEIS)/ Service Exports Incentive Scheme (SEIS) claims are recognized in the statement of profit and loss on receipt basis.

2.10 Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period, are translated at the closing exchange rates and the resultant exchange differences are recognized in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

2.11 Employee benefits

- **Short-term employee benefit**

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognized in the period in which the employee renders the related service.

- **Post-employment benefits**

Defined contribution plans

Contributions to the provident fund, pension scheme, employee state insurance scheme and superannuation fund, which are defined contribution schemes, are recognized as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due.

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In the case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognized immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognizes gains/ losses on settlement of a defined plan when the settlement occurs.

Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognized in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Termination benefits

Termination benefits are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are stated at their present fair value.

2.12 Share-based payments

The grant fair value of equity settled share-based payment awards granted to employees is recognized as employee benefit expense with corresponding increase in equity. The total expense is recognized over the vesting period, which is the period over which all the specified vesting conditions are required to be satisfied. At the end of each reporting period, the company revises its estimates of the number of options that are expected to vest based on the service and non-vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

2.13 Leases

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration.

a. Company as a Lessee

A lessee is required to recognize assets and liabilities for all leases and to recognize depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss. The Company uses the practical expedient to apply the requirements of Ind AS 116 - Leases to a portfolio of leases with similar characteristics if the effects on the financial statements of applying to the portfolio does not differ materially from applying the requirement to the individual leases within that portfolio.

However, according to Ind AS 116, the Company has elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value. The lease payments associated with these leases are generally recognized as an expense on a straight-line basis over the lease term or another systematic basis if appropriate.

a.1 Right -of -use asset

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

a.2 Lease liability

Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

b. Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalized within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognized in the Statement of profit and Loss on a straight-line basis over the term of the lease.

Critical accounting estimates and judgements

Critical judgements required in the application of Ind AS 116 may include, inter-alia, the following:

Identifying whether a contract (or part of a contract) includes a lease;

Determining whether it is reasonably certain that an extension or termination option will be exercised;

Classification of lease agreements (when the entity is a lessor);

Determination of whether variable payments are in-substance fixed;

Establishing whether there are multiple leases in an arrangement;

Determining the stand-alone selling prices of lease and non-lease components.

Key sources of estimation uncertainty in the application of Ind AS 116 may include, inter-alia, the following:

Estimation of the lease term;

Determination of the appropriate rate to discount the lease payments;

Assessment of whether a right-of-use asset is impaired.

2.14 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

2.15 Income tax

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

- **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid /payable to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at 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 tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

In situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Minimum Alternate Tax ('MAT') under the provisions of the Income -tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. MAT credit entitlement at year end is grouped with Deferred Tax Asset (net) in the Balance Sheet of an entity.

2.16 Provisions, Contingent Liabilities and Contingent assets

A provision is recognized when the company has a present obligation (legal or constructive) as a result of a 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 net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When

discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the statement of profit and loss.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Contingent liability is disclosed when there is:

- a present obligation arising from past events, but it is not probable that an outflow of resources will be required to settle the obligation.
- present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are not recognized in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable.

Contingent liabilities and contingent assets are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.17 Earnings per share (EPS)

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period/ year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/ year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period/ year attributable to equity shareholders and the weighted average number of shares outstanding during the period/ year are adjusted for the effects of all dilutive potential equity shares.

2.18 Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company. 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 considers 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.

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

- 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.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.19 Financial instruments

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

Financial assets

Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss);
- those measured at amortized cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

The company classifies debt investments when and only when its business model for managing those assets changes.

Measurement

All financial assets are initially measured at fair value except trade receivables, as the trade receivables do not contain significant financing components, they are initially measured at transaction price. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are satisfied:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using effective interest rate (EIR) method.

Debt instruments at fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVTOCI. The movements in the carrying amount are recognized through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gain or losses which are recognized in the statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss and recognized in other gains/losses. Interest income from these financial assets is included in other income using EIR method.

Debt instruments at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognized in the statement of profit and loss within other gains/ losses in the period in which it arises. Interest income from these financial assets is included in the other income.

Equity investments

All equity investments falling within the definition of "Financial Instruments" as defined in 'Ind AS 109 - Financial instruments' are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to recognize subsequent changes in the fair value in OCI. 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 OCI. There is no re-classification of the amounts from OCI to the statement of profit and loss, even on sale of equity instruments.

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

Derecognition

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial assets.

Impairment of financial assets

The company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the assets carried at amortized cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by 'Ind AS 109 - Financial instruments', which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Non-derivative financial liabilities**Recognition**

The company initially recognizes borrowings, trade payables and related financial liabilities on the date on which they originated.

All other financial instruments (including regular-way purchases and sales of financial assets) are recognized on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

Measurement

Non-derivative financial liabilities are initially recognized at fair value, net of transaction costs incurred. After initial recognition, these liabilities are measured at amortized cost using EIR method.

Derecognition

A financial liability is derecognized 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 recognized in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts are recognized as financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with 'Ind AS 37 - Provisions, contingent liabilities and contingent assets' and the amount initially recognized less cumulative amortization, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.20 Cash dividend to equity holders

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized, and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.21 Government grant

Government grants are recognized at their fair value when there is a reasonable assurance that the grant will be received, and company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are initially recognized as deferred income at fair value and subsequently recognized in the statement of profit and loss on a systematic basis over the useful life of the asset.

2.22 Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

35. Capital commitments and contingent Liabilities

Particulars	31 March 2025	31 March 2024
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
Contingent Liabilities		
Guarantees given by banks on behalf of the company	287.91	261.80
Claims against Company not acknowledged as debts	-	-
Disputed demands in appeal towards:		
- Income Tax	23.16	23.16

36. Corporate Social Responsibility

As per the provisions of section 135 of the Companies Act,2013, the Company has incurred CSR expenditure of INR 9.05 million during the financial year ended as on 31 March 2025.

Detail of the CSR expenditure incurred is as follows: -

Amount spent on	31 March 2025	31 March 2024
Construction/acquisition of any asset	-	-
On the purposes covered under schedule VII to Companies Act,2013	9.05	4.34

Disclosure related to Corporate social responsibility: -

Particulars	31 March 2025	31 March 2024
i) Amount required to be spent by the company during the year	9.05	4.34
ii) Amount of expenditure incurred	9.05	4.34
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	-	-

vi) Nature of CSR activities is as under: -

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	CSR Obligation for the financial year ended as on 31 March 2024	Amount spent in the current financial year	Mode of Implementation - Direct (Yes/No)
Tree Plantation Drive in Delhi-NCR	Tree Plantation, Food Distribution and Pollution Controlling Activities	No	Delhi-NCR	01-04-2024 to 31-03-2025	9.05	9.05	No-Through Swachh Paryavaran Trust

vii) Details of related party transactions:

a) Contribution during the year ending 31 March 2025 – Nil, 31 March 2024- Nil.

b) Payable as at 31 March 2025 – Nil, 31 March 2024- Nil.

viii) The company has not incurred any liability by entering into a contractual obligation and accordingly has not made any provision in this regard.

37. Segment Reporting

The business activities of the company from which it earns revenue and incur expenses, whose operating results are regularly reviewed by the Board of Directors of the company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available involve predominantly one operating segment i.e. Process and project engineering equipment.

Entity Wide Disclosures: -

Information concerning principal geographic areas are as follows:

I) Revenue by geographical market

Particulars	31 March 2025	31 March 2024
Within India	4405.00	4470.93
Outside India	204.71	1002.52
Total	4609.71	5473.45

II) Trade Receivables by geographical market

Particulars	31 March 2025	31 March 2024
Within India	1137.60	864.05
Outside India	4.65	3.99
Total	1142.25	868.04

38. Related Party disclosures

a) Parties where significant influence exists

Particulars	Principal Place of Business	Method used to account for investments	Proportion of ownership interest and voting rights	
			31 March 2025	31 March 2024
I PRO Sugar Engineering Pvt. Ltd.	India	Cost	49.99%	49.99%

b) Other related parties

SEDL Trust
Spray Engineering Devices Limited-Employees Group Gratuity Trust

c) Key management personnel & their close members of family

Managing Director	Vivek Verma
Whole-time Director	Prateek Verma (resigned on 22 May, 2025)
Nominee Director	Sridhar Venkatesh
Independent Director	Ashok Kumar (Resigned on 22 June 2024)
Independent Director	Tara Chand Meenia
Independent Director	Arshdeep Kaur (w.e.f. 06 May 2024)
Independent Director	Niveta Sharma (w.e.f. 06 May 2024)
Chief Financial Officer	Manoj Gupta (Resigned on 31 August 2024)
Chief Financial Officer	Jitendar Kumar (resigned on 28 August 2025)
Chief Compliance Officer & Company Secretary	Rinkal Goyal
Close members of family of Key management personnel	Vimarsh Verma, Mamta Verma

d) Transactions with related parties have been set out below:-

Particulars	31 March 2025	31 March 2024
Vivek Verma		
Remuneration	8.41	5.87
Rent Paid	0.48	0.48
Prateek Verma		
Remuneration	6.00	4.35
Ashok Kumar		
Sitting Fee	0.02	0.05
Tara Chand Meenia		
Sitting Fee	0.10	0.06
Arshdeep Kaur		
Sitting Fee	0.09	-
Niveta Sharma		

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Sitting Fee	0.09	-
Manoj Gupta		
Remuneration	1.90	3.93
Jitendar Kumar		
Remuneration	0.75	-
Rinkal Goyal		
Remuneration	1.48	1.35
Vimarsh Verma		
Remuneration	2.63	1.95
Mamta Verma		
Remuneration	1.84	-

(f) Balances with related parties have been set out below:-

Particulars	31 March 2025	31 March 2024
Vivek Verma		
Remuneration Payable	0.53	0.24
Prateek Verma		
Remuneration Payable	0.37	0.31
Manoj Gupta		
Remuneration Payable	-	0.07
Jitendar Kumar		
Remuneration Payable	0.04	-
Rinkal Goyal		
Remuneration Payable	-	0.12
Vimarsh Verma		
Remuneration Payable	0.09	0.12
Mamta Verma		
Remuneration Payable	0.20	-

Note:

Transactions with related parties are at arm's length price and the balances receivable/payable are un-secured.

39. Leases

The Company classifies the lease transactions as per the requirements of IND-AS 116 "Leases". The Company applied the exemption not to recognize Right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

Depreciation charge for Right-of-use assets is included under depreciation and amortization expense in the Statement of Profit and Loss. Further, to above, the Company has certain lease arrangement on short term basis, expenditure on which has been recognized under line item "Rent" under Other expenses. The effect of adoption of Ind AS 116 'Leases' is not material on the profit before tax, profit for the year and earnings per share.

Nature of leasing activity: -

The Company has entered into lease arrangements for factory premise and plant & machinery.

The disclosure relating to leases are as summarized below:

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Particulars	31 March 2025	31 March 2024
Depreciation for right-of-use assets	18.07	5.36
Interest expense on lease liabilities	11.65	1.50
Expenses relating to short-term/low value leases	23.41	10.08
Total cash outflow for leases	21.16	8.59

Change in lease liabilities arising from financing activities:

Particulars	31 March 2025	31 March 2024
Opening lease liability	22.32	11.15
Addition to lease liabilities	139.49	18.26
Derecognition of lease liability	-	-
Lease payments	27.88	7.09
Closing lease liability	133.93	22.32
Non-current	106.44	18.04
Current	27.49	4.28
Maturity analysis of lease liabilities:		
-less than 1 year	27.49	4.28
-between 1 to 3 years	75.71	9.73
-more than 3 years	30.73	8.31

40. Employee benefits**(a) Defined contribution plans**

The Company has recognized INR 21.79 (31 March 2024: INR 17.22) towards post-employment defined contribution plans comprising provident fund and Employee state insurance scheme in the statement of profit and loss.

Particulars	31 March 2025	31 March 2024
Provident Fund	20.67	16.12
ESI Contribution	1.12	1.10

(b) Defined benefit plans**i) Gratuity**

The Company operates a Gratuity fund trust which in turn has taken Group Gratuity cum Life Assurance policies with Life Insurance Corporation of India for all the employees. Gratuity is a post-employment benefit and is in the nature of a defined benefit plan.

The liability determined by actuarial valuation using projected unit credit method is recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

In accordance with the standard, the disclosure relating to the Company's gratuity plan are provided below: -

Change in present value of obligations:

Particulars	31 March 2025	31 March 2024
Present value of obligation at the beginning of the year	47.62	35.32
Interest cost	3.19	2.55
Current service cost	7.43	5.92
Benefits Paid	(1.26)	(2.27)
Actuarial (Gain)/Loss	3.82	6.10
Present value of obligation at the end of the year	60.80	47.62

Change in the fair value of plan assets:

Particulars	31 March 2025	31 March 2024
Fair value of plan assets at the beginning of the year	1.47	0.76
Expected Interest income	0.10	0.06
Contribution paid by employer	5.12	1.00
Benefits paid	1.26	0.37
Actuarial gain/(loss) on plan assets	-	-
Return on plan assets excluding interest income	0.20	0.02
Fair value of plan assets at the end of the year	5.63	1.47

Amount recognized in Balance sheet:

Particulars	31 March 2025	31 March 2024
Present value of obligation at the end of the year	60.80	47.62
Fair value of plan assets at the end of the year	5.63	1.47
Amount recognized in balance sheet	55.18	46.15
- Current	8.80	7.05
- Non-current	46.38	39.10

Expenses recognized in the statement of profit and loss:

Particulars	31 March 2025	31 March 2024
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Notes to the Consolidated Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)*

Current service cost	7.43	5.92
Net interest cost	3.09	2.50
Actuarial (gain)/loss	-	-
Employer's direct benefit payment cost	-	-
Total expense recognized in the profit & loss	10.52	8.42

Amounts recognized in other comprehensive income:

Particulars	31 March 2025	31 March 2024
Actuarial (Gain)/Loss on Obligations	3.82	6.10
Return on plan assets other than amounts included in net interest cost	(0.20)	(0.02)
Net (income)/expense for the period recognized in other comprehensive income	3.62	6.08

Principal actuarial assumptions used in determining gratuity benefit obligations are as follows:

Particulars	31 March 2025	31 March 2024
Discount rate	6.69%	7.24%
Expected rate of increase in compensation levels*	5.96%	7.00%
Expected rate of return on plan assets	6.69%	7.24%
Attrition	10.00%	10.00%

*The estimated rate of increase in compensation levels takes into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

ii) Leave Encashment

The expected cost of accumulated leaves is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Company treats the accumulated leave, which is expected to be utilized or paid in next twelve months, as short-term employee benefits. The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefits for measurement purposes. Any gains and losses on actuarial valuation are recognized as expense in the statement of profit and loss.

The disclosure relating to Leave encashment are provided below: -

Change in present value of obligations:

Particulars	31 March 2025	31 March 2024
Present value of obligation at the beginning of the year	16.56	16.40
Interest cost	1.11	1.19

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Current service cost	8.56	6.77
Benefits Paid	(3.92)	(5.73)
Actuarial (Gain)/Loss	(4.12)	(2.07)
Present value of obligation at the end of the year	18.19	16.56

Change in the fair value of plan assets:

Particulars	31 March 2025	31 March 2024
Fair value of plan assets at the beginning of the year	-	-
Expected Interest income	-	-
Contribution paid by employer	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Return on plan assets excluding interest income	-	-
Fair value of plan assets at the end of the year	-	-

Amount recognized in Balance sheet:

Particulars	31 March 2025	31 March 2024
Present value of obligation at the end of the year	18.18	16.56
Fair value of plan assets at the end of the year	-	-
Amount recognized in balance sheet	18.18	16.56
- Current	4.36	3.39
- Non-current	13.82	13.17

Expenses recognized in the statement of profit and loss:

Particulars	31 March 2025	31 March 2024
Current service cost	8.56	6.77

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Net interest cost	1.11	1.19
Actuarial (gain)/loss	(4.12)	(2.07)
Employer's direct benefit payment cost	-	-
Total expense recognized in the profit & loss	5.55	5.89

Amounts recognized in other comprehensive income:

Particulars	31 March 2025	31 March 2024
Actuarial (Gain)/Loss on Obligations	-	-
Return on plan assets other than amounts included in net interest cost	-	-
Net (income)/expense for the period recognized in other comprehensive income	-	-

Principal actuarial assumptions used in determining leave encashment obligations are as follows:

Particulars	31 March 2025	31 March 2024
Discount rate	6.69%	7.24%
Expected rate of increase in compensation levels*	5.96%	7.00%
Attrition	10.00%	10.00%

*The estimated rate of increase in compensation levels takes into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

41. Fair Value measurements

Financial instruments by category

Particulars	Amortized cost		FVTPL	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Financial assets				
Investments in mutual fund	-	-	5.29	4.10
Other investments	0.25	0.25	-	-
Trade Receivables	1142.25	868.04	-	-
Others	20.23	6.10	-	-
Cash & Cash Equivalents	23.30	4.10	-	-
Bank Balance	106.87	112.29	-	-
Total Financial assets	1292.90	990.78	5.29	4.10
Financial liabilities				
Borrowings	798.32	752.53	-	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Trade Payable	420.38	560.03	-	-
Lease Liabilities	133.93	22.32		
Total Financial liabilities	1352.63	1334.88	-	-

(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the Company has classified its financial instruments into three levels prescribed under the accounting standards. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following table provides the fair value measurement hierarchy of the Company's asset and liabilities, grouped into Level 1 to Level 3 as described below: -

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.

Particulars	Fair value measurements using			
	Carrying value 31 March 2025	Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets & liabilities at fair value through profit or loss				
Financial Assets:				
Investments in mutual funds	5.29	5.29	-	-
Total	5.29	5.29	-	-
Financial liabilities:				
-	-	-	-	-
Total	-	-	-	-
Financial Assets & liabilities at amortised cost				
Financial Assets:				
Security Deposit	17.61	-	17.61	-
Total	17.61	-	17.61	-
Financial liabilities:				

Long-term borrowings	221.91	-	221.91	-
Lease liabilities	133.93	-	133.93	-
Short-term borrowings	576.41	-	576.41	-
Total	932.25	-	932.25	-

Particulars	Fair value measurements using			
	Carrying value 31 March 2024	Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets & liabilities at fair value through profit or loss				
Financial Assets:				
Investments in mutual funds	4.10	4.10	-	-
Total	4.10	4.10	-	-
Financial liabilities:				
-	-	-	-	-
Total	-	-	-	-
Financial Assets & liabilities at amortised cost				
Financial Assets:				
Security Deposit	4.22	-	4.22	-
Total	4.22	-	4.22	-
Financial liabilities:				
Long-term borrowings	257.03	-	257.03	-
Lease liabilities	22.32	-	22.32	-
Short-term borrowings	495.50	-	495.50	-
Total	774.85	-	774.85	-

(ii) Valuation techniques used to determine fair values

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Specific valuation technique used to value financial instrument includes:

- > the use of quoted market prices or dealer quotes for similar financial instruments.
- > the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis

The following method and assumptions are used to estimate fair values:

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, short term deposits etc. are considered to be their fair value, due to their short-term nature.

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowings fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

Financial assets and liabilities measured at fair value and the carrying amount is the fair value.

42. Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that arise directly from its operations.

The Company's risk management is carried out by management under policies approved by the Board of Directors from time to time. Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the various stakeholders. The Board of Directors approves written principles for overall financial risk management, as well as written policies covering specific areas, such as credit risk, use of derivative financial instruments and non-derivative financial instruments.

The Company's activities are exposed to Market risk, Credit risk and Liquidity risk. These risks are managed pro-actively by the Senior Management of the Company, duly supported by various Groups and Committees.

(A) Credit Risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, considering the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

forward-looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation
- (iv) Significant increase in credit risk and other financial instruments of the same counterparty
- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

The Company's major exposure is from trade receivables, which are unsecured and contractually due from external customers. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

(B) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management

monitors the Company's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

<u>31 March 2025</u>	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings:				
Working Capital Limits	576.41	-	-	576.41
Term Loan	44.74	128.18	48.99	221.91
Lease Liability including Finance Charge	38.08	120.61	-	158.69
Non-Interest-bearing borrowings:				
Trade and Other payable	420.38	-	-	420.38
% to Total	78.38%	18.06%	3.56%	100.00%
<u>31 March 2024</u>	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings:				
Working Capital Limits	495.50	-	-	495.50
Term Loan	47.03	144.87	67.25	259.15
Lease Liability including Finance Charge	5.98	20.76	-	26.74

Non-Interest-bearing borrowings:				
Trade and Other payable	560.03	-	-	560.03
% to Total	82.64%	12.35%	5.01%	100.00%

(C) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk mainly through its sales to overseas customers and purchases from overseas suppliers in foreign currencies.

Foreign currency exposure:

FY	Particulars	Currency	Amount in Foreign currency	Amount in INR
31 March 2025	Trade receivables	USD	48493	4.15
		EURO	5390	0.50
	Trade Payables	USD	6097	0.53
		EURO	48887	4.70
31 March 2024	Trade receivables	USD	48493	3.99
	Trade Payables	USD	654913	55.01
		EURO	12349	1.14

(ii) Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligation at floating interest rates which is not material.

(iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating

Notes to the Consolidated Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)*

activities require the ongoing purchase of raw material and therefore requires a continues supply. The Company operations may impact due to changes in prices of those raw materials.

43. Capital Management

The Company's objective when managing capital are to

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of following gearing ratio: Net debt (total borrowing net of cash and cash equivalents) divided by total equity .

Particulars	31 March 2025	31 March 2024
Total Borrowings	798.31	752.53
Less: Cash and Cash equivalents	23.30	4.10
Net Debt (A)	775.01	748.43
Equity share capital	250.96	225.87
Other equity	1799.35	1006.92
Total Equity (B)	2050.31	1232.79
Total Equity and net debt (C=A+B)	2825.32	1981.22
Gearing ratio (Times) (A/C)	0.27	0.38

44. Disclosure in respect of movement in provisions as per the requirements of IND AS- 37**Provision for warranties**

Provision is made for the estimated warranty claims and after sales services in respect of products sold based on the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Movement in provision for warranty:

Particulars	31 March 2025	31 March 2024
Balance at the beginning of the year	6.33	7.55
Additional provision made during the year	-	17.72
Amount used during the year	3.01	18.94

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Balance at the end of the year	3.32	6.33
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Provision for performance

Provision is made for the estimated performance claims in respect of products sold based on the historical claim information and any recent trends that may suggest future claims could differ from historical amounts.

Movement in provision for performance:

Particulars	31 March 2025	31 March 2024
Balance at the beginning of the year	10.81	8.32
Additional provision made during the year	-	53.17
Amount used during the year	-	50.68
Balance at the end of the year	10.81	10.81

45. Ratio Analysis**a) Current Ratio = Current Assets divided by the Current Liabilities**

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Current Assets	2868.96	2045.57	
Current Liabilities	1762.93	1477.76	
Ratio (in times)	1.63	1.38	17.56%

b) Debt Equity Ratio = Total debt divided by total equity where total debt refers to sum of current and non-current borrowings

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Current borrowings	621.14	542.60	
Non-current borrowings	177.17	209.93	
Total Debt	798.31	752.53	
Total Equity	2050.31	1232.79	
Ratio (in times)	0.39	0.61	-36.22%

There is decrease in debt-equity ratio due to substantial increase in total equity as compared to increase in debt liabilities.

c) Debt service coverage ratio = Earnings available for debt service divided by interest and principal repayments

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Profit after tax	150.20	531.55	
Add: Non-cash operating expenses and Interest expenses			
Depreciation and amortization expense	76.14	49.30	
Interest on term loans	24.12	28.34	
Earnings available for debt service	250.46	609.19	
Interest on term loans	24.12	28.34	

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Principal repayments	50.19	18.60	
Total Interest and principal repayments	74.31	46.94	
Ratio (in times)	3.37	12.98	-74.03%

There is decrease in debt service coverage ratio due to decrease in earnings available for debt service.

d) Return on equity ratio = Profit after tax divided by Average equity

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Profit after tax	150.20	531.55	
Total equity at the beginning of the year (A)	1232.79	709.09	
Total equity at the end of the year (B)	2050.31	1232.79	
Average Equity (C=(A+B)/2)	1641.55	970.94	
Ratio (in %)	9.15	54.75	-45.60%

There is decrease in return on equity ratio due to substantial decrease in profit after tax.

e) Inventory turnover ratio = Cost of goods sold divided by average inventory

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Cost of goods sold	2906.31	3467.82	
Inventory at the beginning of the year (A)	760.51	778.93	
Inventory at the end of the year (B)	1142.45	760.51	
Average Inventory (C=(A+B)/2)	951.48	769.72	
Ratio (in times)	3.05	4.51	-32.20%

There is decrease in inventory turnover ratio due to decrease in sales of the company.

f) Trade Receivables turnover ratio = Revenue from operations divided by average trade receivables

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Revenue from operations	4609.71	5473.45	
Trade receivables at the beginning of the year (A)	868.04	600.82	
Trade receivables at the end of the year (B)	1142.25	868.04	
Average trade receivables (C=(A+B)/2)	1005.15	734.43	
Ratio (in times)	4.59	7.45	-38.46%

There is decrease in debtor turnover ratio due to increase in debtors of the company.

g) Trade Payables turnover ratio = Total of purchase and other expenses divided by average trade payables

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Purchase of Raw material (A)	3280.42	3450.04	
Other expenses* (B)	738.82	623.28	
Total of purchase and other expenses (C=A+B)	4019.24	4073.32	
Trade payables at the beginning of the year (D)	560.03	412.76	
Trade payables at the end of the year (E)	420.38	560.03	
Average trade payables (F=(D+E)/2)	490.21	486.39	
Ratio (in times)	8.20	8.37	-2.10%

*Other expenses exclude CSR expenditure, warranty expenses and balances written off as the aforesaid expenses are not related to trade payables

h) Net Capital turnover ratio = Revenue from operations divided by working capital whereas working capital = current assets - current liabilities

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Revenue from operations	4609.71	5473.45	
Current Assets (A)	2868.96	2045.57	
Current Liabilities (B)	1762.93	1477.76	
Working capital (C=A-B)	1106.03	567.81	
Ratio (in times)	4.17	9.64	-56.76%

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

Net capital turnover ratio has decreased due to higher increase in working capital as compared to increase in revenue from operations.

i) Net Profit ratio = Profit after tax divided by Revenue from operations

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Profit after tax	150.20	531.55	
Revenue from operations	4609.71	5473.45	
Ratio (in %)	3.26	9.71	-6.45%

j) Return on capital employed = Earnings before interest and tax (EBIT) divided by capital employed

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Profit before tax (A)	205.60	743.35	
Finance cost (B)	114.50	98.91	
Other income (C)	8.55	9.34	
EBIT (D=A+B-C)	311.55	832.92	
Total assets (E)	4196.26	3021.83	
Total Liabilities (F)	2145.95	1789.03	
Intangible assets (G)	114.40	14.72	
Tangible net worth (H=E-F-G)	1935.92	1218.08	
Current borrowings (I)	621.14	542.60	
Non-current borrowings (J)	177.17	209.93	
Total Debts (K=I+J)	798.31	752.53	
Deferred tax liabilities (net) (L)	33.58	31.04	
Deferred tax assets (net) (M)	0.00	0.00	
Capital employed (N=H+K+L-M)	2767.80	2001.65	
Ratio (in %)	11.26	41.61	-30.35%

There is decrease in return on capital employed due to decrease in EBIT of the company.

k) Return on investments = Income generated from investments divided by time weighted average investments

Particulars	31 March 2025	31 March 2024	Variance in ratio (in %)
Income generated from investments	-	-	
Investments	0.25	0.25	
Ratio (in %)	-	-	-

46. Other Regulatory information

- (i) The Company neither have any Benami property, nor any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami transactions (Prohibitions) Act, 1988.
- (ii) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds in any other person(s) or

Notes to the Consolidated Financial Statements for the year ended 31 March 2025

(Amount in INR millions, except for share data unless otherwise stated)

- entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) There is no Immovable Properties Title deeds of those are not held in the name of the Company.
- (ix) The company has no investment property and accordingly its fair valuation is not required at year end.
- (x) No revaluation of Property, Plant & Equipment (Including ROU) & Intangible assets has been carried out during the year.
- (xi) The Company has not granted loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are:
- (a) repayable on demand; or
 - (b) without specifying any terms or period of repayment.
- (xii) The company has not defaulted on loan from any bank or financial Institution or other lender
- (xiii) Compliance with approved Scheme(s) on the basis of security of current assets - Not Applicable
- (xiv) The company has borrowings from banks, secured by hypothecation of inventories and by a charge on book debts and other assets of the company, and quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of accounts without any material discrepancies.
- (xv) The company is not declared wilful defaulter by any bank or financial institution or other lender.
- (xvi) The company has complied with number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (restriction on number of layers) Rules, 2017.

Notes to the Consolidated Financial Statements for the year ended 31 March 2025*(Amount in INR millions, except for share data unless otherwise stated)*

- (xvii) The company has used the borrowings from bank for specific purpose for which it was taken at the balance sheet date.

47. Research and Development Expenditure**A. Summary of R&D Expenditure**

Particulars	31 March 2025	31 March 2024
Research expenses (expensed)	42.60	68.09
Development costs (capitalized)	109.40	-
CWIP(Capitalized)	19.67	-
Amortization of capitalized assets	4.27	-
Government grants received	-	-

B. Movement in Capitalized Development Costs

Particulars	31 March 2025	31 March 2024
Opening balance	-	-
Add: Costs capitalized during year	129.07	-
Less: Amortization	4.27	-
Closing balance	124.80	-

C. Description of Capitalized Projects

During the year, the Company capitalized development costs related to the following projects:

- Reduce Steam Demand In Sugar Processing From 25-26% To 20%
- Development Of Low Temperature Evaporator (Lte®)
- Reduce Steam Demand In Sugar Processing From 47% To 27% At Dewan Sugars Ltd., Moradabad, Uttar Pradesh
- Development Of Vertical Mvr Based Plate Falling Film Evaporator (Pffe)
- Development Of Mechanical Vapour Recompression (Mvr) Based Low Temperature Evaporator
- Development Of Energy Efficient Method For Jaggery Production: Targets Achieved
- Development Of Process For Biomass Gasification
- Development Of Paddle Vacuum Dryer
- Bagasse Super-Heated Steam Dryers
- Biomass/Bagasse To Ethanol Production

These projects are expected to generate future economic benefits through enhanced operational efficiency and regulatory alignment.

D. Amortization Policy

Capitalized development costs are amortized over a period of 5 years using the straight-line method. The amortization expense is included under “Depreciation and Amortization” in the Statement of Profit and Loss.

48. Additional information pursuant to General instructions for the preparation of Consolidated financial statements as per Schedule III of the Companies Act,2013**49. Regrouping/Reclassification**

Appropriate adjustments have been made in the Consolidated Ind AS Financial Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the Ind AS presentation requirements. These amendments do not have any impact on the Consolidated Ind AS financial statements.

As per report of even date

For Ashwani K Gupta & Associates
Chartered Accountants
Firm's Registration No. 003803N

For and on behalf of the Board of Directors
Spray Engineering Devices Limited

Sd/-

Paras Gupta
Partner
Membership No.:546125
UDIN: 25546125BMKYTL4167

Sd/-
Vivek Verma
Managing Director
DIN : 00032970

Sd/-
Vimarsh Verma
Additional Director
DIN : 11030760

Place: Mohali
Date :

Sd/-

Rinkal Goyal
Company Secretary
Membership No. F11321