NOTICE

NOTICE is hereby given that the **20th Annual General Meeting** of the members of **Spray Engineering Devices Limited** will be held on **Monday, September 30, 2024** at **12:30 P.M.** through Video Conferencing (VC) or Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS:

1. ADOPTION OF AUDITED STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2024, together with the Reports of the Board of Directors and Auditors thereon and in this regard to pass the following Resolution as an **Ordinary Resolution** with or without modification(s):

"**RESOLVED THAT** the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2024, together with the Reports of the Board of Directors and Auditors thereon as laid before this meeting, be and are hereby considered and adopted."

2. APPOINTMENT OF MR. PRATEEK VERMA (DIN: 00024740) AS DIRECTOR, LIABLE TO RETIRE BY ROTATION

To appoint a Director in place of Mr. Prateek Verma (DIN: 00024740), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment and in this regard to pass the following Resolution as an **Ordinary Resolution** with or without modification(s):

"**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Prateek Verma (DIN: 00024740), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company."

SPECIAL BUSINESS:

3. RATIFICATION OF REMUNERATION OF COST AUDITORS

To ratify the remuneration of Cost Auditors for the Financial Year 2024-25 and in this regard, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**: -

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of **Rs. 50,000/-** (Rupees Fifty Thousand only) plus applicable Tax/GST and out-of-pocket expenses payable to M/s Balwinder & Associates, Cost Accountants, (Firm Registration No. 000201), appointed by the Board of Directors as Cost Auditors to conduct audit of the cost records of the Company for the Financial Year 2024-25 be and is hereby approved and ratified."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

4. RE-APPOINTMENT OF MR. VIVEK VERMA AS THE MANAGING DIRECTOR

To re-appoint Mr. Vivek Verma, (DIN: 00032970) as Managing Director of the company and to consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the approval of the company be and is hereby accorded to re-appoint Mr. Vivek Verma, (DIN: 00032970) as Managing Director of the Company for a further period of 5 years w.e.f. **July 1, 2024** till **June 30, 2029** (both days inclusive), liable to retire by rotation, at a remuneration of **Rs. 72,00,000/- (Seventy-Two Lakhs only) per annum** fixed for 3 years till June 30, 2027.

Mr. Vivek Verma satisfies all the conditions set out in Part-II of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for their re-appointment. He is not disqualified from being appointed/re-appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of the re-appointment of Mr. Vivek Verma under Section 190 of the Act.

Further the said re-appointment shall be treated as continuation of service.

"RESOLVED FURTHER THAT in case of absence or inadequacy of profits in any financial year during the tenure of Mr. Vivek Verma as Managing Director, the remuneration payable to him shall be within limits prescribed under Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) as amended from time to time.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution Mr. Prateek Verma (DIN: 00024740), Whole time Director and Mr. Rinkal Goyal (PAN: BCHPG4382F), Company Secretary and Chief Compliance Officer, be and are hereby jointly or severally authorized on behalf of the company to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary e-forms as return of appointment with the Registrar of Companies."

5. **RE-APPOINTMENT OF MR. PRATEEK VERMA AS THE WHOLE TIME DIRECTOR**

To re-appoint Mr. Prateek Verma, (DIN: 00024740) as Whole time Director of the company and to consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the approval of the company be and is hereby accorded to re-appoint Mr. Prateek Verma, (DIN: 00024740) as Whole time Director of the Company for a further period of 5 years w.e.f. **July 1, 2024** till **June 30, 2029** (both days inclusive), liable to retire by rotation, at a remuneration of **Rs. 66,00,000/- (Sixty-Six Lakhs Only) per annum** fixed for 3 years till June 30, 2027.

Mr. Prateek Verma satisfies all the conditions set out in Part-II of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for their re-appointment. He is not disqualified from being appointed/ re-appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of the re-appointment of Mr. Prateek Verma under Section 190 of the Act.

Further the said re-appointment shall be treated as continuation of service.

"RESOLVED FURTHER THAT in case of absence or inadequacy of profits in any financial year during the tenure of Mr. Prateek Verma as Whole time Director, the remuneration payable to him shall be within limits prescribed under Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) as amended from time to time."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution Mr. Vivek Verma (DIN: 00032970), Managing Director and Mr. Rinkal Goyal (PAN: BCHPG4382F), Company Secretary and Chief Compliance Officer, be and are hereby jointly or severally authorized on behalf of the company to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary e-forms as return of appointment with the Registrar of Companies."

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

Sd/-
RINKAL GOYAL
Company Secretary and Chief Compliance Officer
Membership No.: F 11321

Place: Chandigarh
Date: 07.09.2024

Notes

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.

2. Pursuant to General Circular No. 20/2020 dated 5th May, 2020 issued by the Ministry of Corporate Affairs ("MCA") read together with MCA General Circular Nos. 14 & 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively and MCA General Circular No. 09/2023 dated 25th September, 2023 ("MCA Circulars"), the Company will be conducting this Annual General Meeting ("AGM" or "Meeting") through Video Conferencing/Other Audio Visual Means ("VC"/"OAVM").

3. Since this AGM is being held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

5. In accordance with the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

6. Institutional / Corporate Shareholders are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC on its behalf and to vote through registered e-mails. The said Resolution/Authorization shall be sent to the Company's designated email address: rinkal.goyal@sprayengineering.com

7. Link for participating & voting through electronic means:
   Microsoft Teams
   https://teams.microsoft.com/l/meetup-join/19%3ameeting_YzQ2NjRmNDEtNGVkYi00NzMwLTkzNjYtODA5MDBjNTQwOWJl%40thread.v2/0?context=%7b%22Tid%22%3a%22e23f86b7-7329-4455-a153-1694f44fa238%22%2c%22Oid%22%3a%22b4627f94-ccd7-4532-a2da-5b5b7e8988fb%22%7d

   Meeting ID: 470 083 811 677
   Passcode: QmcQoW

   For any query related to technical support, please contact:

   Mr. Rinkal Goyal
   Company Secretary and Chief Compliance Officer
   E-mail: *rinkal.goyal@sprayengineering.com*
   Mobile: +91-73411-97452

The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting.

8. During the Meeting held through VC/OAVM mode, where a poll on any item is required, the members shall cast their vote on the resolutions only by sending their emails from their registered email addresses. Members are requested to cast their votes electronically by sending their assent/dissent through e-mail on rinkal.goyal@sprayengineering.com as and when a poll is demanded on the resolutions set forth in this Notice.

9. All documents referred to in this Notice along with statutory records and registers/ returns including 'Register of Directors and Key Managerial Personnel and their shareholding', maintained under Section 170 of the Companies Act 2013, and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Act, as required to be kept open for inspection under the Act, shall be available for inspection electronically during business hours except Sunday and National Holiday from the date hereof up to the date of this AGM and at the AGM. Members seeking to inspect such documents can send an email to rinkal.goyal@sprayengineering.com.

10. Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management.

    Members can contact the Registrar and Transfer Agent of the company for assistance in this regard:

    Shamwant Kushwaha
    Link lntime India Pvt. Ltd
    P: +91 11 49411000 (Extn: 7113) F: +91 11 41410591
    E-mail: shamwant.kushwah@linkintime.co.in

11. Members desiring any information with regard to Accounts/Reports are requested to submit their queries addressed to the Company Secretary at least 7 days in advance of the meeting so that the Information called for can be made available at the meeting.

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

Item No. 3

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to appoint a Cost Auditor to conduct Audit of the cost records of the Company.

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 26th August, 2024, approved the appointment of **M/s Balwinder & Associates, Cost Accountants, (Firm Registration No. 000201)**, as the Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year 2024-2025 at a remuneration **Rs. 50,000/-** (Rupees Fifty Thousand only) plus applicable Tax/GST and out-of-pocket expenses.

In terms of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors fixed by the Board of Directors is required to be ratified by the members of the Company. Accordingly, the consent of members is sought for ratification of the remuneration of M/s Balwinder & Associates, Cost Accountants.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the approval of this resolution by the members as an Ordinary Resolution.

Item No. 4

Pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force), **Mr. Vivek Verma (DIN: 00032970)** was re-appointed as the Managing Director of the Company at the Extra Ordinary General meeting held on August 30, 2019 for a period of 5 years with effect from July 1, 2019 to June 30, 2024. The Board of Directors in their meeting held on 12th April, 2024 has, pursuant to the recommendations of Nomination & Remuneration Committee, approved the re-appointment of Mr. Vivek Verma as Managing Director of the Company for a period of 5 Years commencing from July 1, 2024 to June 30, 2029 subject to the approval of shareholders at a remuneration of **Rs. 72,00,000/- (Seventy Two Lakhs Only) per annum** fixed for 3 years till June 30, 2027.

The details of Mr. Vivek Verma are given in **Annexure "A"**

The below given statement is as required under Part II of SECTION II of the Schedule V of the Companies Act:-

I. General Information:		
(a)	Nature of industry	Manufacturing (Sugar allied equipment)
(b)	Date or expected date of commencement of commercial production.	Spray Engineering Devices Limited, Engineering Company, was incorporated on 8th November, 2004 by Mr. Vivek Verma, Mr. Prateek Verma and other promoters. SEDL emerged through an Engineer's vision of Mr. Vivek Verma,

		who is the man behind the stupendous growth of Company. SEDL, having three manufacturing units at Baddi (Himachal Pradesh) at a distance of 50 kilometers from Chandigarh, has emerged as a World-renowned Company today. The Commercial Production started initially w.e.f 1995, in the name of the firms namely Spray Engineering Devices & C&C Systems, two partnership firms, both owned by Mr. Vivek Verma along with his brother Mr. Prateek Verma (an Engineer by profession). The status of Partnership firms got converted into public limited company on 08th November 2004. The commercial production started in mid of year 1995.
(c)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable
(d)	Financial performance based on given indicators	Financial year 2023-24 Gross Revenue : Rs. 5477.68 million Profit / (Loss) after Tax : Rs. 530.06 million Rate of Dividend : NIL Earnings per Share: Rs. 23.12
(e)	Foreign investments or collaborators, if any	The Company has not made any foreign investments and neither entered into any foreign collaborations during the Financial year
II. Information about the appointee:		
(a)	Background details	Mr. Vivek Verma is a qualified Agricultural Engineer by qualification. He laid the foundation stone of Spray Engineering Devices Limited (SEDL) in the year 1993 and now serving as the Chairman cum Managing Director of SEDL. He is looking after product development, production & marketing including exports. He is the life member of the Sugar Technologist Association of India (STAI) and the International Society of Sugar cane Technology (ISSCT). He is the person behind the stupendous growth of SEDL from a modest turnover of INR 40 Lakhs in 1995 to INR 547.77 Cr. in 2024. He is fully dedicated to Sugar Industry since 1992. He has shown his remarkable excellence in putting his dream of making SEDL a world known Organization, into reality. With a vision to take SEDL to a Zenith at a blistering pace he's steering SEDL team to be updated on engineering Innovations.
(b)	Past remuneration	INR 72.00 Lakhs p.a.
(c)	Recognition or awards	1. Excellence award from The National Sugar Institute (NSI), Kanpur, UP, GOI in the year 2023. 2. National Energy Efficiency Innovation Award from the Bureau of Energy Efficiency (BEE), Ministry of Power, GOI in the year 2021.

		3. CSIR Diamond Jubilee Technology award in the year 2020. 4. CII-National award for Excellence in Water Management in the year 2019. 5. Amity Global Excellence award for Sustainable Manufacturing practices in the year 2022.
(d)	Job profile and his suitability	He is the Managing Director of the Company and devotes whole time attention to the growth of the Company & his core area is business development.
(e)	Remuneration proposed	It is proposed to pay consolidated remuneration to Mr. Vivek Verma for the amount of Rs. 72 Lakhs per annum (Rupees Seventy-Two Lakhs) by way of salary and perquisites, performance-based rewards/ incentives etc.
(f)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses
(g)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Does not have any pecuniary relationship with the Company except remuneration drawn as Managing Director.
III. Other Information		
(a)	Reasons of loss or inadequate profits	NA
(b)	Steps taken or proposed to be taken for improvement	NA
(c)	Expected increase in productivity and profits in measurable terms	NA

Except Mr. Vivek Verma himself and Mr. Prateek Verma, being brother of Mr. Vivek Verma, none of the Directors/ Key Managerial Personnel of the Company are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board accordingly recommends the Ordinary Resolution set out in Item No. 4 of the accompanying notice for the approval of Members.

Item No. 5

Pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force), **Mr. Prateek Verma (DIN: 00024740)** was re-appointed as the Whole time Director of the Company at the Extra Ordinary General meeting held on August 30, 2019 for a period of 5 years with effect from July 1, 2019 to June 30, 2024. The Board of Directors in their meeting held on 12th April, 2024 has, pursuant to the recommendations of Nomination & Remuneration Committee, approved the re-appointment of Mr. Prateek Verma as Whole time Director of the Company for a period of 5 Years commencing from July 1,2024 to June 30, 2029 subject to the approval of shareholders at a remuneration of **Rs. 66,00,000/- (Sixty-Six Lakhs Only) per annum** fixed for 3 years till June 30, 2027.

The details of Mr. Prateek Verma are given in **Annexure "A"**

The below given statement is as required under Part II of SECTION II of the Schedule V of the Companies Act:-

I. General Information:		
(a)	Nature of industry	Manufacturing (Sugar allied equipment)
(b)	Date or expected date of commencement of commercial production.	Spray Engineering Devices Limited, Engineering Company, was incorporated on 8th November, 2004 by Mr. Vivek Verma, Mr. Prateek Verma and other promoters. SEDL emerged through an Engineer's vision of Mr. Vivek Verma, who is the man behind the stupendous growth of Company. SEDL, having three manufacturing units at Baddi (Himachal Pradesh) at a distance of 50 kilometers from Chandigarh, has emerged as a World-renowned Company today. The Commercial Production started initially w.e.f 1995, in the name of the firms namely Spray Engineering Devices & C&C Systems, two partnership firms, both owned by Mr. Vivek Verma along with his brother Mr. Prateek Verma (an Engineer by profession). The status of Partnership firms got converted into public limited company on 08th November 2004. The commercial production started in mid of year 1995.
(c)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable
(d)	Financial performance based on given indicators	Financial year 2023-24 Gross Revenue : Rs. 5477.68 million Profit / (Loss) after Tax : Rs. 530.06 million Rate of Dividend : NIL Earnings per Share: Rs. 23.12
(e)	Foreign investments or collaborators, if any	The Company has not made any foreign investments and neither entered into any foreign collaborations during the Financial year
II. Information about the appointee:		
(a)	Background details	Mr. Prateek Verma is a qualified Mechanical Engineer and the Whole time Director of Spray Engineering Devices Limited. He has contributed for the launch of SEDL Group & he is having great exposure in Automation of its Cooling / Condensing Systems & also working on making strong R & D facility of the Company. He is looking after IT, ERP, IPR's, TQM activities of the company. His remarkable expertise in system designing for automation of cooling &

		condensing system enabled the Organization to achieve mega success in launching a fully automatic cooling & condensing system in the year 2000. His vision is to make SEDL as top "Technical Solution Provider" in Sugar Industry in order to make Sugar Industry completely balanced with Hi-tech automation tools & Gadgets.
(b)	Past remuneration	INR 66 Lakhs p.a.
(c)	Recognition or awards	NIL
(d)	Job profile and his suitability	He is the Whole time Director of the Company and devotes whole time attention to the growth of the Company & his core area is in business development.
(e)	Remuneration proposed	It is proposed to pay consolidated remuneration to Mr. Prateek Verma for the amount of Rs. 66 Lakhs per annum (Rupees Sixty-Six Lakhs) by way of salary and perquisites, performance based rewards/ incentives etc.
(f)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses
(g)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Does not have any pecuniary relationship with the Company except remuneration drawn as Whole time Director.
III. Other Information		
(a)	Reasons of loss or inadequate profits	NA
(b)	Steps taken or proposed to be taken for improvement	NA
(c)	Expected increase in productivity and profits in measurable terms	NA

Except Mr. Prateek Verma himself and Mr. Vivek Verma, being brother of Mr. Prateek Verma, none of the Directors/ Key Managerial Personnel of the Company are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board accordingly recommends the Ordinary Resolution set out in Item No. 5 of the accompanying notice for the approval of Members.

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

Sd/-
RINKAL GOYAL
Company Secretary and Chief Compliance Officer
Membership No.: F 11321

Place: Chandigarh
Date: 07.09.2024

Annexure "A"

DETAILS OF DIRECTORS/KMPs SEEKING RE-APPOINTMENT AT THE 20TH ANNUAL GENERAL MEETING

S. No.	Particulars	Mr. Vivek Verma	Mr. Prateek Verma
1.	DIN	00032970	00024740
2.	Date of Birth	28/09/1966	08/01/1968
3.	Shareholding in the Company	48.59%	21.69%
4.	Designation	Managing Director	Whole time Director
5.	Experience	Mr. Vivek Verma is a qualified Agricultural Engineer by qualification. He laid the foundation stone of Spray Engineering Devices Limited (SEDL) in the year 1993 and now serving as the Managing Director of SEDL. He is looking after product development, production & marketing including exports. He is the life member of the Sugar Technologist Association of India (STAI) and the International Society of Sugar cane Technology (ISSCT). He is fully dedicated to Sugar Industry since 1992. He has shown his remarkable excellence in putting his dream of making SEDL a world known organization, into reality. With a vision to take SEDL to a Zenith at a blistering pace he's steering SEDL team to be updated on engineering Innovations.	Mr. Prateek Verma is a qualified Mechanical Engineer. He has greatly contributed for the launch of SEDL Group and is currently working as Whole time Director of Spray Engineering Devices Limited and is having a great exposure in Automation of Cooling / Condensing Systems & also working on making a strong R & D facility of the Company. He is looking after IT, ERP, IPR's, TQM activities of the company. His remarkable expertise in system designing for automation of cooling & condensing system enabled the organization to achieve mega success in launching a fully automatic cooling & condensing system in the year 2000. His vision is to make SEDL as top "Technical Solution Provider" in Sugar Industry to make Sugar Industry completely balanced with Hi-tech automation tools & Gadgets.
6.	Directorships in other Companies	1. SED Engineers & Fabricators Private Limited 2. Sustainable Environment Developers Limited 3. Modline Constructions Private Limited	1. SED Engineers & Fabricators Private Limited 2. Sustainable Environment Developers Limited 3. Modline Constructions Private Limited

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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, 2024 ("FY 2023-24").

FINANCIAL PERFORMANCE

Summary of the Company's Financial Performance in 2023-24:

(in ₹ Millions)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenues from Operations (Net)	5,468.42	3,919.45	5473.45	3926.20
Other Income	9.26	21.13	9.34	21.18
Total Revenue	**5,477.68**	**3,940.58**	**5482.79**	**3947.38**
Less: Cost of Raw Material consumed	3,405.82	2,545.61	3405.82	2545.61
Employee Benefit Expenses	464.32	389.66	465.61	392.05
Other Expenses	717.76	421.06	719.80	421.14
Profit before Finance Costs, Depreciation, Amortisation and Tax	**889.78**	**584.25**	**891.56**	**588.58**
Less: Finance Costs	98.89	80.68	98.91	80.71
Profit before Depreciation, Amortisation and Tax	**790.89**	**503.57**	**792.65**	**507.87**
Less: Depreciation & Amortisation Expenses	49.30	38.52	49.30	38.52
Profit before Tax	**741.59**	**465.05**	**743.35**	**469.35**
Less: Tax expenses				
Current Tax	150.92	53.15	151.30	53.72
Deferred Tax	60.61	68.42	60.50	68.42
Profit after Tax	**530.06**	**343.48**	**531.55**	**347.21**
Add: Other Comprehensive Income				
Items that will not be reclassified to profit or loss	(6.08)	(2.88)	(6.08)	(2.88)
Income tax relating to items that will not be reclassified to profit or loss	(1.77)	(0.84)	(1.77)	(0.84)
Total Comprehensive Income for the Year	**522.21**	**339.76**	**523.70**	**343.49**
Earnings per equity share of Rs. 10/- each				
Basic (in Rs.)	23.12	15.04	23.19	15.21
Diluted (in Rs.)	23.12	15.04	23.19	15.21

PERFORMANCE, AIM AND OUTLOOK

During the year, the total revenue of the Company has increased from **Rs. 3,940.58 million to Rs. 5,477.68 million**.

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 2023-24, the turnover of company has increased from **Rs. 3,940.58 million to Rs. 5,477.68 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 2023-24, the Company has not declared any dividend due to deployment of profits for the operations of the company.

TRANSFER TO GENERAL RESERVES

The Company did not transfer any amount to the General Reserves of the Company during the financial year ended on March 31, 2024.

SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has following Subsidiary Companies as on 31st March, 2024:

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, 2024:

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.

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 II** in **Form AOC-2**.

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 III** 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 is available on the website at https://www.sprayengineering.com

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 2023-24 is 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:
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). 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.
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
Capital goods import of Rs. 50.27 Millions
Year of import
2023-24
Whether imported technology fully absorbed
Yes

3. **Foreign Exchange Earnings/ Outgo:**

(Rupees in Million)

Particulars	2023-24	2022-23
Earnings in Foreign Exchange	980.8	620.68
Value of Imports calculated on CIF basis	111.78	63.58
Expenditure in Foreign Currency	65.25	33.89

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 31.03.2024 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	2023-24	2022-23
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 2023-24, the status of all investments as on 31.03.2024 is as follows:

(Rupees in Million)

Non-current investments	2023-24	2022-23
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	30.00	30.00

paid-up in Sri Saibaba Sugars Limited		
(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 has been put up 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

In the board meeting held on February 21, 2024, **Ms. Niveta Sharma (DIN: 08056816)** and **Ms. Arshdeep Kaur Judge (DIN: 08056826)** were approved to be appointed as Independent Directors of the Company subject to the approval of shareholders. Shareholders of the Company have confirmed the appointment of **Ms. Niveta Sharma (DIN: 08056816)** and **Ms. Arshdeep Kaur Judge (DIN: 08056826)** in their meeting held on 06.05.2024.

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. Prateek Verma	00024740	Whole time Director	08.11.2004
3	Mr. Shridhar Venkatesh	00025040	Nominee Director	26.04.2017
4	Mr. Tara Chand Meenia	09293108	Independent Director	20.10.2021
5	Ms. Niveta Sharma	08056816	Independent Director	06.05.2024
6	Ms. Arshdeep Kaur Judge	08056826	Independent Director	06.05.2024

Note: Mr. Ashok Kumar resigned from the Board on 22.06.2024

Re-appointment of director liable to retire by rotation

Mr. Prateek Verma (DIN: 00024740), Wholetime Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment

Key Managerial Personnel

The composition of the Key Managerial Personnel of the Company as on 31st March, 2024 is as under:

1. Mr. Vivek Verma — Managing Director
2. Mr. Prateek Verma — Wholetime Director
3. Mr. Manoj Gupta — Chief Financial Officer
4. Mr. Rinkal Goyal — Company Secretary and Chief Compliance Officer

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

Five (5) meetings of the Board of Directors were held during the financial year 2023-24. The meetings were held on 23.06.2023, 18.07.2023, 04.09.2023, 28.12.2023 and 21.02.2024.

Attendance of Directors at the Board Meetings held during the financial year 2023-24 and at the last Annual General Meeting (AGM) held on September 29, 2023, and the number of directorships (as per the provisions of Section 165 of the Act), held by the Directors as on March 31, 2024, 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	5	5	5	Yes	4
Mr. Prateek Verma	5	5	5	Yes	4
Mr. Shridhar Venkatesh	5	5	3	No	3
Mr. Tara Chand Meenia	5	5	5	No	1
Mr. Ashok Kumar	5	5	5	No	1

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

AUDIT COMMITTEE

Three (03) meetings of the Audit Committee were held during the financial year 2023-24. The meetings were held on 18.07.2023, 04.09.2023 and 21.02.2024.

The attendance of the members of Audit Committee during the financial year 2023-24 was as follows:

Name of the Director	Designation	Meetings held during the year	Eligibility	Meetings attended
Mr. Tara Chand Meenia	Independent Director	3	3	3

Mr. Ashok Kumar	Independent Director	3	3	3
Mr. Shridhar Venkatesh	Nominee Director	3	3	3

Notes:

**In accordance with the Articles of Association of the Company, there is a requirement to appoint every nominee Director as member in all Board committees therefore in due compliance with the same, every nominee director is a permanent member for every Audit committee meeting.*

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

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 2023-24 and no material reportable weakness in the design or operation was observed.

NOMINATION AND REMUNERATION COMMITTEE

One (01) meeting held on February 21, 2024 of the Nomination and Remuneration Committee during the financial year 2023-24.

The attendance of Members of the Nomination and Remuneration Committee during the financial year 2023-24 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

One (01) meeting held on February 21, 2024 of the CSR Committee during the financial year 2023-24.

The attendance of Members of the CSR Committee during the financial year 2023-24 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 February 21, 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 2023-24. 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 July 18, 2023 appointed M/s Brij Agnihotri & Associates, Company Secretaries, as Secretarial Auditors for the financial year 2023-24.

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 Brij Agnihotri & Associates, Company Secretaries, 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 2023-24. 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. However, as per the requirement of Section 149(1) a Women Director is required to be appointed during the financial year 2023-24 and the matter was approved in the board meeting dated 21.02.2024 and Women independent director was duly appointed on 06.05.2024 with the approval from shareholders of the company.

The Secretarial Audit Report for the financial year 2023-24 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 July 18, 2023, has appointed M/s. Balwinder & Associates, Cost Accountants to perform the Cost Audit of the Company for the financial year 2023-24.

There were no qualifications, reservations or adverse remarks made by Cost Auditors in their report for the financial year 2023-24.

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 2023-24 is as under:

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

In the financial year 2023-24, a total of 5 (five) workshops/awareness sessions were conducted for 190 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 2023-24.

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, 2024, 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, 2024, 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.

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 2023-24.

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

Sd/-	**Sd/-**
(VIVEK VERMA)	**(PRATEEK VERMA)**
Managing Director	**Whole Time Director**
DIN: 00032970	**DIN: 00024740**
House No. 485, Sector 8,	**House No. 149, Sector 7,**
Panchkula (Haryana)	**Panchkula (Haryana)**

Place: Chandigarh
Date: 07.09.2024

ANNEXURE I

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	(84.85)	3.97
6.	Total assets	4.70	6.88
7.	Total Liabilities	89.45	2.41
8.	Investments	0.00	0.00
9.	Turnover	3.25	15.68
10.	Other Income	0.00	0.08
	Total Revenue	3.25	15.76
11.	Profit before taxation	0.70	1.08
12.	Provision for taxation	0.00	0.27
13.	Profit after taxation	0.70	0.81
14.	Proposed Dividend	NIL	NIL
15.	% of shareholding	100%	100%

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

1. Names of subsidiaries which are yet to commence operations: - N.A
2. 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	IPRO SUGAR ENGINEERING PRIVATE LIMITED
2.	Latest audited Balance Sheet Date	31.03.2024
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 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/-
(PRATEEK VERMA)
Whole Time Director
DIN: 00024740
House No. 149, Sector 7,
Panchkula (Haryana)

Place: Chandigarh
Date: 07.09.2024

ANNEXURE II

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 2023-24, 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	Vivek Verma, Managing Director
b)	Nature of contracts/arrangements/transaction	Transactions at arms length basis in the ordinary course of business Lease Rent
c)	Duration of the contracts/arrangements/transaction	12 Months
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Lease rent of Rs. 4.8 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	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. 133.3 Lakhs Expenses incurred and reimbursed by the company for Rs. 18.10 Lakhs Trade Receivable of Rs. 10.5 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 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. 29.5 Lakhs Expenses incurred and reimbursed by the company for Rs. 12.8 Lakhs Trade Receivable of Rs. 20.1 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 arms 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. 19.5 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/-	**Sd/-**
(VIVEK VERMA)	**(PRATEEK VERMA)**
Managing Director	**Whole Time Director**
DIN: 00032970	**DIN: 00024740**
House No. 485, Sector 8, Panchkula (Haryana)	**House No. 149, Sector 7, Panchkula (Haryana)**

Place: Chandigarh
Date: 07.09.2024

ANNEXURE III

THE ANNUAL REPORT ON CSR ACTIVITIES
FOR THE FINANCIAL YEAR 2023-24

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 2023-24, 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 2023-24, 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, 2024:

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, is available 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. — **₹ 21,69,48,176/-**

   (b) Two percent of average net profit of the company as per sub-section (5) of section 135. — **₹ 43,38,964/-**

   (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.

(d) Amount required to be set-off for the financial year, if any. **0.00/-**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]. **₹ 43,38,965/-**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). **₹ 43,38,965/-**

(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)]. **₹ 43,38,965/-**

(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
43,38,965/-	0.00	N.A.	Not Applicable		

(f) Excess amount for set-off, if any: N.A.

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/-	**Sd/-**
(VIVEK VERMA)	**(PRATEEK VERMA)**
Managing Director	**Whole Time Director**
DIN: 00032970	**DIN: 00024740**
House No. 485, Sector 8,	**House No. 149, Sector 7,**
Panchkula (Haryana)	**Panchkula (Haryana)**

Place: Chandigarh
Date: 07.09.2024

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 is available on the website of the Company.

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

ANNEXURE V

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[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 of

SPRAY ENGINEERING DEVICES LIMITED

CIN : U00000CH2004PLC027625

REGD. OFFICE : PLOT NO 25, INDUSTRIAL AREA PHASE – II, CHANDIGARH -160002.

We 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 us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 ("Audit Period") 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder to the extent of Regulation 55A;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities Exchange Board of India (SEBI) (Substantial Acquisition of Shares and Takeovers (Amendment) Regulations, 2013;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amended thereon;

d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sectors/ industry are : N.A

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 **- Not Applicable, as Company is an Unlisted Entity.**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, standards etc. mentioned above in this report. However, as per the requirement of Section 149(1) proviso 2 of the Companies Act, 2013, a Women Director needed to be appointed, during the financial year 2023-24, that matter was taken up in the board meeting dated 21.02.2024 and the Women Independent director was duly appointed on 06.05.2024.

We further report that compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial record and books of accounts has not been reviewed in this Audit, since the same has been subject to review by statutory financial audit and other designated professionals.

We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report 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.

We further report that during the audit period no specific events / actions took place that are having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards. It is important to mention here that the Company is in process of execution for IPO.

UDIN: F007356F001041433
Place: Chandigarh
Date: 25.08.2024

Sd/-
Brij Agnihotri
(Proprietor)
Brij Agnihotri & Associates
Company Secretaries
Membership No. 7356; C.P. No.: 7831
PR 851/2020

Annexure -A

To
The Members of
SPRAY ENGINEERING DEVICES LIMITED
CIN : U00000CH2004PLC027625
REGD. OFFICE : PLOT NO 25, INDUSTRIAL AREA PHASE – II, CHANDIGARH -160002.

Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of Records based on audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Auditor’s Responsibility:-

That the audit has been conducted as per the applicable Auditing Standards and those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of Records.
That we have obtained reasonable assurance that the statements prepared, documents or Records maintained by the Company are free from misstatement.

That we have the responsibility to only express our opinion on the evidences collected, information received and Records maintained by the Company or given by the Management.

That due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

That as per the records made available during the secretarial audit and the management representations, the Company has followed applicable laws, act, rules or regulations in maintaining their Records, documents, statements, or have complied with applicable laws or rules while performing any corporate action.

UDIN: F007356F001041433
Place: Chandigarh
Date: 25.08.2024

Sd/-
Brij Agnihotri
(Proprietor)
Brij Agnihotri & Associates
Company Secretaries
Membership No. 7356; C.P. No.: 7831
PR 851/2020

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, 2024, 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, 2024 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Revenue is recognized when performance obligation is satisfied by transferring upon transfer of control of promised product to the customers and when the collection of consideration by the Group is "probable". In specifically, revenue from sale of products is recognised at a point in time when performance obligation is satisfied and is based on the transfer of control to the customer as per terms of the contract. There is a risk, during the year and at the end of the year, revenue being recognized from sale of products without contract with customer or without transfer of control of the products as per the delivery terms or revenue is not recorded in the correct accounting period.	Our audit procedures included: • Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard; • Evaluated the design and implementation of key controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions. • Involved our IT specialists to assist us in testing of key IT system controls which impact revenue recognition; • Performed detailed testing by selecting samples of revenue transactions recorded during and after the year. For such samples, verified the underlying documents supporting the revenue recognition as per the accounting policy in the correct accounting year; and • Tested sample journal entries for revenue recognized during the year, selected based on specified risk-based criteria, to identify unusual transactions.

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.

Auditor's 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 skepticisms 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 2.23 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, 2024 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.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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)

Sd/-

Paras Gupta
Partner
(Membership No.546125)
UDIN: 24546125BKBUQN2569

Place: Mohali
Date: August 26, 2024

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, 2024 in conjunctionwith 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, 2024, 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)

Sd/-

Paras Gupta
Partner
(Membership No.546125)
UDIN: 24546125BKBUQN2569

Place: Mohali
Date: August 26, 2024

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, 2024 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, 2024 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, 2024 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 wilful 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) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

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)

Sd/-

Paras Gupta
Partner
(Membership No.546125)
UDIN: 24546125BKBUQN2569

Place: Mohali
Date: August 26, 2024

SPRAY ENGINEERING DEVICES LIMITED **CIN-U00000CH2004PLC027625**

Balance Sheet as at 31 March 2024

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

Particulars	Notes	31 March 2024	31 March 2023	01 April 2022
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant & Equipment	3	761.00	534.97	256.08
(b) Right-of-use assets	4	27.08	11.94	79.46
(c) Intangible assets	3a	14.72	7.59	6.03
(d) Intangible assets under development	3b	-	-	-
(e) Capital work-in-progress	3b	131.93	128.50	7.53
(f) Financial assets				
(i) Investments	5	0.75	0.75	0.75
(ii) Loans		-	-	-
(iii) Trade receivables		-	-	-
(iv) Other financial assets	6	3.87	25.51	31.70
(g) Deferred tax assets (net)	7	-	30.88	100.14
(h) Other non-current asstes	8	37.29	22.89	16.79
Total non-current assets		**976.64**	**763.03**	**498.48**
(2) Current Assets				
(a) Inventories	9	760.51	778.93	662.26
(b) Financial assets				
(i) Investments	10	4.10	2.10	-
(ii) Trade receivables	11	867.59	595.99	427.56
(iii) Cash and cash equivalents	12	1.43	12.67	16.03
(iv) Bank balance other than (iii) above		111.34	104.46	61.34
(v) Loans	12A	-	-	-
(vi) Other financial assets	13	1.66	2.60	1.30
(c) Current tax assets (net)	14	-	-	-
(d) Other current assets	15	291.16	372.65	250.72
Total current assets		**2,037.79**	**1,869.40**	**1,419.21**
TOTAL ASSETS		**3,014.43**	**2,632.43**	**1,917.69**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	16	225.87	225.87	225.87
(b) Other Equity	17	1,018.58	496.37	156.61
Total Equity		**1,244.45**	**722.24**	**382.48**
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	209.93	224.54	45.14
(ia) Lease Liabilities	19	18.04	5.94	77.84
(ii) Other financial liabilities		-	-	-
(b) Provisions	20	52.27	45.25	33.02
(c) Deferred tax liabilities (net)	7	31.50	-	-
(d) Other non-current liabilities		-	-	-
Total non-current liabilities		**311.74**	**275.73**	**156.00**
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	542.60	363.51	148.76
(ia) Lease liabilities		4.28	5.21	5.99
(ii) Trade payables				
(a) Total outstanding dues of micro enterprises and small enterprises	22	52.06	38.32	25.02
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		489.99	355.72	296.02
(iii) Other financial liabilities		-	-	-
(b) Other current liabilities	23	217.13	806.31	885.42
(c) Provisions	24	27.58	21.58	17.27
(d) Current tax liabilities (net)	14	124.60	43.81	0.73
Total current liabilities		**1,458.24**	**1,634.46**	**1,379.21**
TOTAL EQUITY AND LIABILITIES		**3,014.43**	**2,632.43**	**1,917.69**

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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

Paras Gupta
Partner
Membership No. 546125
UDIN: 24546125BKBUQN2569

Place: Mohali
Date: 26 August 2024

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

Sd/-
Vivek Verma
Managing Director
DIN: 00032970

Sd/-
Prateek Verma
Whole-time Director
DIN: 00024740

Sd/-
Manoj Gupta
Chief Financial Officer

Sd/-
Rinkal Goyal
Company Secretary
Membership No. F11321

SPRAY ENGINEERING DEVICES LIMITED **CIN-U00000CH2004PLC027625**

Statement of Profit and Loss for the year ended 31 March 2024

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

	Particulars	Notes	31 March 2024	31 March 2023
I	Revenue from operations	25	5,468.42	3,919.45
II	Other income	26	9.26	21.13
III	**Total Income (I+II)**		**5,477.68**	**3,940.58**
IV	**Expenses**			
	Cost of Material Consumed	27	3,405.82	2,545.61
	Purchase of stock in trade	28	-	-
	(Increase)/Decrease in inventories of finished goods,stock-in-trade and WIP	29	62.00	(75.79)
	Employee benefit expense	30	464.32	389.66
	Finance Costs	31	98.89	80.68
	Depreciation and amortization expense	32	49.30	38.52
	Other expenses	33	655.76	496.85
	Total Expenses (IV)		**4,736.09**	**3,475.53**
V	**Profit/(Loss) before exceptional items (III-IV)**		**741.59**	**465.05**
VI	**Exceptional items**		-	-
VII	**Profit/(Loss) before tax (V-VI)**		**741.59**	**465.05**
VIII	**Tax Expense**			
	(1) Current Tax		150.92	53.15
	(2) Deferred Tax		60.61	68.42
	Total Tax Expense		**211.53**	**121.57**
IX	**Profit/(Loss) for the year from continuing operations (VII-VIII)**		**530.06**	**343.48**
X	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss		(6.08)	(2.88)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.77)	(0.84)
	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)		**(7.85)**	**(3.72)**
XI	**Total comprehensive income (IX+X)(Comprising Profit/(Loss) and other comprehensive income(loss) for the year**		**522.21**	**339.76**
XII	**Earning per equity share of ₹ 10/- each**	34		
	Basic (in ₹)		23.12	15.04
	Diluted (in ₹)		23.12	15.04

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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

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

Paras Gupta
Partner
Membership No. 546125
UDIN: 24546125BKBUQN2569

Sd/-
Vivek Verma
Managing Director
DIN : 00032970

Sd/-
Prateek Verma
Whole-time Director
DIN: 00024740

Place: Mohali
Date: 26 August 2024

Sd/-
Manoj Gupta
Chief Financial Officer

Sd/-
Rinkal Goyal
Company Secretary
Membership No. F11321

SPRAY ENGINEERING DEVICES LIMITED **CIN-U00000CH2004PLC027625**

Statement of Cash Flows for the year ended 31 March 2024

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

Particulars	31 March 2024	31 March 2023
(A) Cash flow from operating activities		
Profit/(Loss) before tax	735.50	462.17
Adjustments for:		
- Depreciation/amortization	49.30	38.52
- Bad debts written off	30.18	86.53
- Gain on derecognition of Financial Liabilities	-	(6.73)
- (Gain)/Loss on sale of property,plant & equipment	-	0.02
- (Gain)/Loss on Fair Valuation of Investments	(0.99)	(0.09)
- Finance cost	98.89	80.68
- Interest income	(7.00)	(5.39)
Operating profit before working capital changes	**905.88**	**655.71**
Movements in working capital :		
- Increase/(decrease) in trade payables	148.02	72.99
- Increase/(decrease) in other current liabilities and provisions	(576.16)	(62.57)
- Decrease/(increase) in trade receivables	(301.78)	(254.96)
- Decrease/(increase) in inventories	18.42	(116.67)
- Decrease/(increase) in other current/non-current assets	65.63	(130.57)
Cash generated from /(used in) operations	**260.01**	**163.93**
- Income tax paid (net of refunds)	(70.13)	(10.07)
Net cash flow from/ (used in) operating activities	**189.88**	**153.86**
(B) Cash flows from investing activities		
- Purchase of PPE including capital work-in-progress and intangible assets	(301.03)	(448.05)
- (Increase)/decrease in other bank balances	17.16	(35.68)
- Proceeds from sale of property,plant and equipment	-	1.95
- Interest income	7.00	5.39
- (Increase)/decrease in Investments	(1.01)	(2.01)
Net cash flow from/(used in) investing activities	**(277.88)**	**(478.40)**
(C) Cash flows from financing activities		
- Proceeds/(repayment) of long-term borrowings	0.19	214.11
- Proceeds/(repayment) of short-term borrowings	175.46	187.75
- Finance cost	(98.89)	(80.68)
Net cash flow from/(used in) in financing activities	**76.76**	**321.18**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(11.24)	(3.36)
Cash and cash equivalents at the beginning of the year	12.67	16.03
Cash and cash equivalents at the end of the year	**1.43**	**12.67**
Components of cash and cash equivalents		
- Cash on hand (refer note 12)	0.10	0.11
- On Current account (refer note 12)	1.33	12.56
Cash and cash equivalents	**1.43**	**12.67**

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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

Paras Gupta
Partner
Membership No. 546125
UDIN: 24546125BKBUQN2569

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

Sd/-
Vivek Verma
Managing Director
DIN: 00032970

Sd/-
Prateek Verma
Whole-time Director
DIN: 00024740

Sd/-
Manoj Gupta
Chief Financial Officer

Sd/-
Rinkal Goyal
Company Secretary
Membership No. F11321

Place: Mohali
Date: 26 August 2024

SPRAY ENGINEERING DEVICES LIMITED **CIN-U00000CH2004PLC027625**

Statement of Changes in Equity for the year ended 31 March 2024

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

A. Equity share capital

Particulars	31 March 2024		31 March 2023		01 April 2022	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	**22586781**	**225.87**	**22586781**	**225.87**	**22586781**	**225.87**
Changes during the year	-	-	-	-	-	-
Balanace at the end of the year	**22586781**	**225.87**	**22586781**	**225.87**	**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 : 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**

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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

Paras Gupta
Partner
Membership No. 546125
UDIN: 24546125BKBUQN2569

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

Sd/-
Vivek Verma
Managing Director
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Prateek Verma
Whole-time Director
DIN: 00024740

Sd/-
Manoj Gupta
Chief Financial Officer

Sd/-
Rinkal Goyal
Company Secretary
Membership No. F11321

Place: Mohali
Date: 26 August 2024

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 Company's financial statements up to and for the year ended 31 March 2023 were prepared in accordance with the accounting standards notified under section 133 of the Companies Act,2013("Indian GAAP").

As these are Company's first financial statements prepared in accordance with Indian Accounting Standards ('Ind AS'), Ind AS 101, *First time adoption of Indian Accounting Standards* has been applied. The transition was carried out from Indian GAAP. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the company is provided in Note 48.

The financial statements for the year ended 31 March 2024 were approved for issue by the Company's Board of Directors on 26 August 2024.

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'.

- **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of 01 April 2022, measured as per the Indian GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see note 48).

- **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 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.l 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 Proft 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 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 2024, 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 2024

(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 2021	32.38	224.17	-	242.69	16.89	16.59	16.20	18.24	567.16
Additions	-	-	-	22.12	0.48	2.53	1.07	11.56	37.76
Disposals	-	-	-	-	-	-	-	0.41	0.41
Gross carrying value as of 01 April 2022	**32.38**	**224.17**	**-**	**264.81**	**17.37**	**19.12**	**17.27**	**29.39**	**604.51**
Accumulated depreciation as of 01 April 2021	-	88.30	-	193.79	13.96	10.79	13.10	9.80	329.74
Depreciation charge for the year	-	7.08	-	6.14	0.38	2.29	0.72	2.48	19.09
Disposals	-	-	-	-	-	-	-	0.40	0.40
Accumulated depreciation as of 01 April 2022	**-**	**95.38**	**-**	**199.93**	**14.34**	**13.08**	**13.82**	**11.88**	**348.43**
Net Carrying value as of April 01, 2022	**32.38**	**128.79**	**-**	**64.88**	**3.03**	**6.04**	**3.45**	**17.51**	**256.08**
Gross carrying value as of 01 April 2022	32.38	224.17	-	264.81	17.37	19.12	17.27	29.39	604.51
Additions	-	-	257.61	28.53	0.22	5.10	2.83	11.80	306.09
Disposals	-	-	-	0.95	-	-	-	1.20	2.15
Gross carrying value as of 31 March 2023	**32.38**	**224.17**	**257.61**	**292.39**	**17.59**	**24.22**	**20.10**	**39.99**	**908.45**
Accumulated depreciation as of 01 April 2022	-	95.38	-	199.93	14.34	13.08	13.82	11.88	348.43
Depreciation charge for the year	-	7.08	1.34	7.80	0.40	3.86	1.19	3.57	25.24
Disposals	-	-	-	0.03	-	-	-	0.16	0.19
Accumulated depreciation as of 31 March 2023	**-**	**102.46**	**1.34**	**207.70**	**14.74**	**16.94**	**15.01**	**15.29**	**373.48**
Net Carrying value as of 31 March 2023	**32.38**	**121.71**	**256.27**	**84.69**	**2.85**	**7.28**	**5.09**	**24.70**	**534.97**
Gross carrying value as of 01 April 2023	32.38	224.17	257.61	292.39	17.59	24.22	20.10	39.99	908.45
Additions	-	-	-	240.28	10.00	6.04	1.57	6.58	264.47
Disposals	-	-	-	-	-	-	-	1.68	1.68
Gross carrying value as of 31 March 2024	**32.38**	**224.17**	**257.61**	**532.67**	**27.59**	**30.26**	**21.67**	**44.89**	**1,171.24**
Accumulated depreciation as of 01 April 2023	-	102.46	1.34	207.70	14.74	16.94	15.01	15.29	373.48
Depreciation charge for the year	-	7.08	4.08	15.53	1.10	4.65	1.70	4.30	38.44
Disposals	-	-	-	-	-	-	-	1.68	1.68
Accumulated depreciation as of 31 March 2024	**-**	**109.54**	**5.42**	**223.23**	**15.84**	**21.59**	**16.71**	**17.91**	**410.24**
Net Carrying value as of 31 March 2024	**32.38**	**114.63**	**252.19**	**309.44**	**11.75**	**8.67**	**4.96**	**26.98**	**761.00**

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

Note 3a: Intangible assets

Particulars	Package & software	Drawing & Copyrights	Total
Gross carrying value as of 01 April 2021	57.83	10.97	68.80
Additions	3.92	-	3.92
Disposals	-	-	-
Gross carrying value as of 01 April 2022	**61.75**	**10.97**	**72.72**
Accumulated depreciation as of 01 April 2021	53.45	10.97	64.42
Depreciation charge for the year	2.27	-	2.27
Disposals	-	-	-
Accumulated depreciation as of 01 April 2022	**55.72**	**10.97**	**66.69**
Net Carrying value as of 01 April 2022	**6.03**	-	**6.03**
Gross carrying value as of April 01, 2022	61.75	10.97	72.72
Additions	4.95	-	4.95
Disposals	-	-	-
Gross carrying value as of 31 March 2023	**66.70**	**10.97**	**77.67**
Accumulated depreciation as of 01 April 2022	55.72	10.97	66.69
Depreciation charge for the year	3.39	-	3.39
Disposals	-	-	-
Accumulated depreciation as of 31 March 2023	**59.11**	**10.97**	**70.08**
Net Carrying value as of 31 March 2023	**7.59**	-	**7.59**
Gross carrying value as of 01 April 2023	66.70	10.97	77.67
Additions	12.63	-	12.63
Disposals	-	-	-
Gross carrying value as of 31 March 2024	**79.33**	**10.97**	**90.30**
Accumulated depreciation as of 01 April 2023	59.11	10.97	70.08
Depreciation charge for the year	5.50	-	5.50
Disposals	-	-	-
Accumulated depreciation as of 31 March 2024	**64.61**	**10.97**	**75.58**
Net Carrying value as of 31 March 2024	**14.72**	-	**14.72**

Note 3b: Intangible assets under development and Capital work-in-progress

Particulars	Intangible Assets under development	Captial Work-in-progress
Balance as on 01 April 2021	1.44	-
Add:Additions during the year	2.48	7.53
Less:Capitalised/expense out during the year	3.92	-
Balance as on 01 April 2022	-	**7.53**
Balance as on 01 April 2022	-	7.53
Add:Additions during the year	-	120.97
Less:Capitalised/expense out during the year	-	-
Balance as on 31 March 2023	-	**128.50**
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**

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

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

31 March 2024

Particulars	Amount in capital work-in-progress for a period of				
	< 1 year	1 to 2 years	2 to 3 years	> 3 years	Total
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**

31 March 2023

Particulars	Amount in capital work-in-progress for a period of				
	< 1 year	1 to 2 years	2 to 3 years	> 3 years	Total
i) Projects in progress	120.97	7.53	-	-	**128.50**
ii)Projects temporarily suspended	-	-	-	-	-
Total	**120.97**	**7.53**	-	-	**128.50**

01 April 2022

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

(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 2024	31 March 2023	01 April 2022
Buildings			
Gross Carrying Value at the Beginning of the year	11.64	93.25	-
Additions	-	7.78	93.25
Deletions	-	89.39	-
Gross carrying value at the end of the year	**11.64**	**11.64**	**93.25**
Accumulated depreciation at the beginning of the year	7.75	13.79	-
Depreciation charge for the year	3.89	9.68	13.79
Deletions	-	15.72	-
Accumulated depreciation at the end of the year	**11.64**	**7.75**	**13.79**
Net Carrying Value at the end of the year (A)	**-**	**3.89**	**79.46**
Plant & Machinery			
Gross Carrying Value at the Beginning of the year	8.25	-	-
Additions	20.50	8.25	-
Deletions	-	-	-
Gross carrying value at the end of the year	**28.75**	**8.25**	**-**
Accumulated depreciation at the beginning of the year	0.20	-	-
Depreciation charge for the year	1.47	0.20	-
Deletions	-	-	-
Accumulated depreciation at the end of the year	**1.67**	**0.20**	**-**
Net Carrying Value at the end of the year (B)	**27.08**	**8.05**	**-**
Total Carrying Value (A+B)	**27.08**	**11.94**	**79.46**

Notes to the Financial Statements for the year ended 31 March 2024

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

NOTE 5: NON-CURRENT FINANCIAL ASSET - INVESTMENTS

Particulars	31 March 2024			31 March 2023			01 April 2022		
	Face Value per share (in ₹)	Number of Shares	Value	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	10	10,000	0.10
Sustainable Environment Developers Limited	10	50,000	0.50	10	50,000	0.50	10	50,000	0.50
Total			**0.60**			**0.60**			**0.60**
Less: Provision for impairment on investments			0.10			0.10			0.10
Total			**0.50**			**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	10	25,000	0.25
Total			**0.25**			**0.25**			**0.25**
Less: Provision for impairment on investments			-			-			-
Total			**0.25**			**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	100	3,00,000	30.00
Total			**30.00**			**30.00**			**30.00**
Less: Provision for impairment on investments			30.00			30.00			30.00
Total			-			-			-
Aggregate amount of quoted investments and market value thereof			-			-			-
Aggregate amount of unquoted investments			**0.75**			**0.75**			**0.75**
Aggregate amount of impairment in value of investments			**30.10**			**30.10**			**30.10**

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

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

Particulars	31 March 2024	31 March 2023	01 April 2022
Unsecured, considered good			
Security deposits	3.65	1.25	-
Balance with banks-deposits accounts with original maturity more than 12 months	0.22	24.26	31.70
Total	**3.87**	**25.51**	**31.70**

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

Particulars	01 April 2023	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	31 March 2024
Deferred tax liability				
Property,plant & equipments and intangible assets	37.47	19.03	-	56.50
Right of Use Assets	3.47	4.41	-	7.88
Remeasurements of Financial Liabilities at effective interest method	0.81	(0.19)	-	0.62
Gross deferred tax liability (A)	**41.75**	**23.25**	**-**	**65.00**
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	15.65	12.46	(1.77)	26.34
Expected credit loss allowance on trade receivables	-	-	-	-
Lease liabilities	3.25	3.25	-	6.50
Remeasurements of Financial Assets at Amortised Cost	1.87	(1.21)	-	0.66
Sub total	**20.77**	**14.50**	**(1.77)**	**33.50**
Unused Tax Credits				
Minimum Alternate Tax	51.86	(51.86)		-
Gross deferred tax asset (B)	**72.63**	**(37.36)**	**(1.77)**	**33.50**
Net deferred tax (assets)/ liability (A - B)	**(30.88)**	**60.61**	**1.77**	**31.50**

Notes to the Financial Statements for the year ended 31 March 2024

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

Particulars	01 April 2022	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	31 March 2023
Deferred tax liability				
Property,plant & equipments and intangible assets	-	37.47	-	37.47
Right of Use Assets	-	3.47	-	3.47
Remeasurements of Financial Liabilities at effective interest method	-	0.81	-	0.81
Gross deferred tax liability (A)	-	**41.75**	-	**41.75**
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	-	16.49	(0.84)	15.65
Expected credit loss allowance on trade receivables	-	-	-	-
Lease liabilities	-	3.25	-	3.25
Remeasurements of Financial Assets at Amortised Cost	-	1.87	-	1.87
Sub total	-	**21.61**	**(0.84)**	**20.77**
Unused Tax Credits				
Minimum Alternate Tax	100.14	(48.28)		51.86
Gross deferred tax asset (B)	**100.14**	**(26.67)**	**(0.84)**	**72.63**
Net deferred tax (assets)/ liability (A - B)	**(100.14)**	**68.42**	**0.84**	**(30.88)**

Particulars	01 April 2021	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	01 April 2022
Deferred tax liability				
Property,plant & equipments and intangible assets	-	-	-	-
Gross deferred tax liability (A)	-	-	-	-
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	-	-	-	-
Expected credit loss allowance on trade receivables	-	-	-	-
Lease Liabilities	-	-	-	-
Sub total	-	-	-	-
Unused Tax Credits				
Minimum Alternate Tax	89.17	10.97	-	100.14
Gross deferred tax asset (B)	89.17	10.97	-	**100.14**
Net deferred tax (assets)/ liability (A - B)	**(89.17)**	**(10.97)**	-	**(100.14)**

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

NOTE 8: OTHER NON-CURRENT ASSETS

Particulars	31 March 2024	31 March 2023	01 April 2022
Capital Advances	-	-	-
Advances other than Capital Advances			
- Security Deposits	25.94	11.54	5.44
- Other Advances	11.35	11.35	11.35
Total	**37.29**	**22.89**	**16.79**

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

Particulars	31 March 2024	31 March 2023	01 April 2022
Raw Material & Components	486.01	441.79	405.81
Stores and spares	22.72	23.37	18.47
Work-in-progress	138.98	219.12	178.11
Finished goods	112.80	94.65	59.87
Total	**760.51**	**778.93**	**662.26**

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

NOTE 10: CURRENT FINANCIAL ASSET - INVESTMENTS

Particulars	31 March 2024	31 March 2023	01 April 2022
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 2023 - 8227.572 Units)	0.77	0.56	-
Canara Robeco Equity Hybrid Fund - Regular Growth - 2222.136 Units (31 March 2023- 2222.136 Units)	0.69	0.54	-
Bank of India Multi Cap Fund - Regular Plan- Growth - 141043.851 Units (31 March 2023 - 99995 Units)	2.13	1.00	-
Bank of India MultiAsset Allocation Fund - Regular Plan- Growth - 49997 Units (31 March 2023 - Nil Units)	0.51	-	-
Investments at Amortised Cost			
Unquoted Investments	-	-	-
Total Investments	**4.10**	**2.10**	-
Aggregate amount of quoted investments and market value thereof	4.10	2.10	-
Aggregate amount of unquoted investments	-	-	-
Aggregate amount of impairment in value of investments	-	-	-
Total	**4.10**	**2.10**	**-**

NOTE 11: CURRENT FINANCIAL ASSET - TRADE RECEIVABLES

Particulars	31 March 2024	31 March 2023	01 April 2022
Trade receivables considered good - secured	-	-	-
Trade receivables considered good - unsecured	867.59	595.99	427.56
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	-	-	95.49
Less: Allowance for expected credit loss	-	-	(95.49)
Total	**867.59**	**595.99**	**427.56**

Movement in expected credit loss allowance of trade receivables	31 March 2024	31 March 2023	01 April 2022
Balance at the beginning of the year	-	**95.49**	**257.85**
Add:- Additions during the year	-	-	-
Less:- Bad debts written off	-	95.49	162.36
Balance at the end of the year	-	-	**95.49**

(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					
	< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	> 3 years	Total
Undisputed Trade Receivables - considered good						
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 2024	-	-	-	-	-	-
31 March 2023	-	-	-	-	-	-
01 April 2022	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired						
31 March 2024	-	-	-	-	-	-
31 March 2023	-	-	-	-	-	-
01 April 2022	-	-	-	-	95.49	**95.49**
Disputed Trade Receivables - considered good						
31 March 2024	-	-	4.41	-	61.61	**66.02**
31 March 2023	-	-	-	3.36	60.36	**63.72**
01 April 2022	-	-	-	-	50.71	**50.71**
Disputed Trade Receivables - which have significant increase in credit risk						
31 March 2024	-	-	-	-	-	-
31 March 2023	-	-	-	-	-	-
01 April 2022	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired						
31 March 2024	-	-	-	-	-	-
31 March 2023	-	-	-	-	-	-
01 April 2022	-	-	-	-	-	-
Total	**473.38**	**99.46**	**172.77**	**44.61**	**77.37**	**867.59**
Total	**292.35**	**120.47**	**73.14**	**17.87**	**92.16**	**595.99**
Total	**175.00**	**84.76**	**38.22**	**25.33**	**199.74**	**523.05**
Less:-Allowance for expected credit loss						
31 March 2024	-	-	-	-	-	-
31 March 2023	-	-	-	-	-	-
01 April 2022	-	-	-	-	95.49	**95.49**
Total Trade Receivables(Net)						
31 March 2024	**473.38**	**99.46**	**172.77**	**44.61**	**77.37**	**867.59**
31 March 2023	**292.35**	**120.47**	**73.14**	**17.87**	**92.16**	**595.99**
01 April 2022	**175.00**	**84.76**	**38.22**	**25.33**	**104.25**	**427.56**

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

NOTE 12: CURRENT FINANCIAL ASSET - CASH AND CASH EQUIVALENTS

Particulars	31 March 2024	31 March 2023	01 April 2022
(A) Balances with banks:			
-In current accounts	1.33	12.56	12.40
-In fixed deposit under lien held as margin money (for credit facility and bank guarantee) maturing within 12 months	111.34	104.46	61.34
(B) Cash on Hand	0.10	0.11	3.63
Total	**112.77**	**117.13**	**77.37**
Cash & cash equivalents	**1.43**	**12.67**	**16.03**
Bank Balance other than above	**111.34**	**104.46**	**61.34**

NOTE 12A: CURRENT FINANCIAL ASSET - LOANS

Particulars	31 March 2024	31 March 2023	01 April 2022
Loans receivables considered doubtful - Unsecured			
Recoverable from related party	-	-	69.14
Less: Allowance for expected credit loss	-	-	(69.14)
Total	-	-	-

NOTE 13: CURRENT FINANCIAL ASSET - OTHER FINANCIAL ASSETS

Particulars	31 March 2024	31 March 2023	01 April 2022
Interest accrued but not due on bank fixed deposits	1.66	2.60	1.30
Total	**1.66**	**2.60**	**1.30**

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

Particulars	31 March 2024	31 March 2023	01 April 2022
Provision for taxation (Net of advance tax & TDS)	(124.60)	(43.81)	(0.73)
Total	**(124.60)**	**(43.81)**	**(0.73)**

NOTE 15: OTHER CURRENT ASSETS

Particulars	31 March 2024	31 March 2023	01 April 2022
Capital advances	-	41.53	-
Advances other than capital advances			
- Advances to suppliers			
Unsecured, considered good	193.65	232.02	215.24
Unsecured, considered doubtful	1.24	1.93	1.95
-Other Advances	97.51	99.10	35.48
	292.40	**374.58**	**252.67**
Less: Allowance for expected credit loss	(1.24)	(1.93)	(1.95)
Total	**291.16**	**372.65**	**250.72**

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

NOTE 16: EQUITY SHARE CAPITAL

Particulars	31 March 2024		31 March 2023		01 April 2022	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorized share capital	4,00,00,000	400.00	4,00,00,000	400.00	2,40,50,000	240.50
Equity shares of ₹ 10/- each with voting rights						
Issued share capital	2,25,86,781	225.87	2,25,86,781	225.87	2,25,86,781	225.87
Equity shares of ₹ 10/- each with voting rights						
Subscribed and fully paid-up share Capital	2,25,86,781	225.87	2,25,86,781	225.87	2,25,86,781	225.87
Equity shares of ₹ 10/- each with voting rights						
Total	**2,25,86,781**	**225.87**	**2,25,86,781**	**225.87**	**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 capital as under:

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 2024		31 March 2023		01 April 2022	
	Number of shares	Amount	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	2,25,86,781	225.87
Add: Issued during the year	-	-	-	-	-	-
Less: Shares bought back	-	-	-	-	-	-
Equity shares outstanding at the end of the year	2,25,86,781	225.87	2,25,86,781	225.87	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 2024		31 March 2023		01 April 2022	
	Number of shares held	% Holding in that class of shares	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	53.99%	1,28,06,661	56.70%	1,28,06,661	56.70%
(ii) Mr. Prateek Verma (Whole-time Director)	59,42,730	26.31%	59,89,987	26.52%	59,89,987	26.52%
(iii) Klondike Investments Ltd.	28,23,348	12.50%	28,23,348	12.50%	28,23,348	12.50%

(d) Shareholding of promotors:

Shares held by promotors at end of the year	31 March 2024		31 March 2023		01 April 2022		% change
Promotor name	Number of shares held	% of total shares	Number of shares held	% of total shares	Number of shares held	% of total shares	during the year
(i) Mr. Vivek Verma (Chairman cum Managing Director)	1,21,93,918	53.99%	1,28,06,661	56.70%	1,28,06,661	56.70%	-2.71%
(ii) Mr. Prateek Verma (Whole-time Director)	59,42,730	26.31%	59,89,987	26.52%	59,89,987	26.52%	-0.21%

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

NOTE 17: OTHER EQUITY

Particulars	31 March 2024	31 March 2023	01 April 2022
(a) Securities premium			
Balance outstanding at the beginning of the year	613.01	613.01	613.01
Add: Additions during the year	-	-	-
Less: Utilised during the year	-	-	-
Balance outstanding at the end of the year	613.01	613.01	613.01
(b) Retained earnings			
Balance outstanding at the beginning of the year	(116.64)	(456.40)	(602.57)
Add/(Less): Transition effect on Restatement to Ind AS	-	-	(3.67)
Add: Net profit for the year	530.06	343.48	149.12
Add :Income on account of OCI	(7.85)	(3.72)	0.75
Less: Appropriations	-	-	0.03
Balance outstanding at the end of the year	405.57	(116.64)	(456.40)
Total (a+b)	**1,018.58**	**496.37**	**156.61**

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

NOTE 18: NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	31 March 2024	31 March 2023	01 April 2022
Secured			
Term Loans form banks	257.03	268.01	61.61
Less: Current maturities of long term borrowings	47.10	43.47	16.47
Total	**209.93**	**224.54**	**45.14**

i) Vehicle loans of INR 19.81 millions (31 March 2023 - INR 17.50 millions, 01 April 2022 - INR 12.57 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 2023 - INR Nil millions, 01 April 2022 - INR 0.59 millions) outstanding of Working Capital Demand loan (Total sanctioned limit of INR 8.40 millions) was taken from Bank of India at interest rate of 1 year MCLR+BSS 0.30%+CRP 5.00% with monthly rests 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 18 monthly installments commencing from November, 2020 and ending in April, 2022.

iii) INR 1.52 millions (31 March 2023 - INR 6.49 millions, 01 April 2022 - INR 11.10 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 is repayable in 36 monthly installements commencing from July,2021 and ending in June,2024.

iv) INR 1.94 millions (31 March 2023 - INR 9.71 millions, 01 April 2022 - INR 17.48 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 is repayable in 36 months installments commencing from July,2021 and ending in June,2024.

v) INR Nil millions (31 March 2023 - INR Nil millions, 01 April 2022 - INR 0.67 millions) outstanding of Working Capital Demand Loan (Toal sanctioned limit of INR 12.0 millions) was taken from Canara Bank at interest rate of 1 year MCLR 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 Banok 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 was further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan was repayable in 18 months installments commencing from November,2020 and ending in April, 2022.

vi) INR 11.00 millions (31 March 2023 - INR 12.00 millions, 01 April 2022 - INR 12.00 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.

vii) INR 6.52 millions (31 March 2023 - INR 7.20 millions, 01 April 2022 - INR 7.20 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.

viii) INR 159.10 millions (31 March 2023 - INR 177.58 millions, 01 April 2022 - INR Nil 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.

ix) INR 23.96 millions (31 March 2023 - INR 7.52 millions, 01 April 2022 - INR Nil millions) outstanding of Term loan for purchase of Plant & Machinaries (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 primarly secured by 1st pari-passu charge by way of hypothecation of Machinery purhased 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.

x) INR 35.30 millions (31 March 2023 - INR 32.80 millions, 01 April 2022 - INR Nil millions) outstanding of Term loan for purchase of Plant & Machinaries (Total sanctioned limit of INR 46.30 millions) taken from Canara Bank at interest rate of RLLR + 2.50% +0.80% primarly 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.

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

NOTE 19: NON-CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES

Particulars	31 March 2024	31 March 2023	01 April 2022
Long term maturities of lease liabilties	22.32	11.15	83.83
Less: Current maturities of lease liabilities	4.28	5.21	5.99
Total	**18.04**	**5.94**	**77.84**

NOTE 20: NON-CURRENT FINANCIAL LIABILITIES - PROVISIONS

Particulars	31 March 2024	31 March 2023	01 April 2022
Provision for employee benefits			
Gratuity (refer note 40)	39.10	30.86	24.06
Leave encashment (refer note 40)	13.17	14.39	8.96
Total	**52.27**	**45.25**	**33.02**

NOTE 21: CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	31 March 2024	31 March 2023	01 April 2022
Loans repayable on demand			
Secured			
From banks			
Cash credit accounts	397.00	318.80	131.13
From others			
Cash credit accounts	98.50	-	-
Current Maturities			
Current maturities of long-term borrowings	47.10	43.47	16.47
Current maturities of lease Liabilties	4.28	5.21	5.99
Unsecured			
Loans from NBFCs	-	1.24	1.16
Total	**546.88**	**368.72**	**154.75**

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) Cash credit limit from Bajaj finance limited is primary secured by first pari passu charge with Canara Bank and Bank of India on current assets and unencumbered plant and machinery of the company & collaterally secured by first pari passu charge with Canara Bank and Bank of India 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 ,4 Flats located at Baddi ,HP standing in the name of the Company and Plot no.8,myst aerotown,Dyalpura,Zirakpur,SAS Nagar,Punjab (area 500 sq yards) standing in the name of Mr. Vivek Verma.

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

iv) Unsecured loans from NBFC are repayable on demand which is carrying simple rate of interest @9.00% p.a.

NOTE 22: CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	31 March 2024	31 March 2023	01 April 2022
Total outstanding dues of micro and small enterprises	52.06	38.32	25.02
Total outstanding dues of creditors other than micro and small enterprises	489.99	355.72	296.02
	542.05	394.04	321.04

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 ofinformation, 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 2024	31 March 2023	01 April 2022
(a) the principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year;			
'- principal	52.06	38.32	25.02
'- interest	-	1.27	0.53
(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)	-	1.27	0.53
(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.	-	-	-

(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				
	< 1 Year	1 to 2 years	2 to 3 years	> 3 years	Total
Outstanding dues of micro and small enterprises					
31 March 2024	51.28	0.48	0.24	0.06	**52.06**
31 March 2023	37.68	0.06	-	0.58	**38.32**
01 April 2022	23.21	0.07	0.26	1.48	**25.02**
Outstanding dues of creditors other than micro and small enterprises					
31 March 2024	397.57	60.74	24.21	0.01	**482.53**
31 March 2023	289.32	9.29	2.02	47.14	**347.77**
01 April 2022	193.71	21.40	3.10	70.35	**288.56**
Disputed dues of micro and small enterprises					
31 March 2024	-	-	-	-	-
31 March 2023	-	-	-	-	-
01 April 2022	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises					
31 March 2024	-	-	-	7.46	**7.46**
31 March 2023	-	-	-	7.95	**7.95**
01 April 2022	-	-	-	7.46	**7.46**
Total Trade Payables					
31 March 2024	**448.85**	**61.22**	**24.45**	**7.53**	**542.05**
31 March 2023	**327.00**	**9.35**	**2.02**	**55.67**	**394.04**
01 April 2022	**216.92**	**21.47**	**3.36**	**79.29**	**321.04**

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

NOTE 23: OTHER CURRENT LIABILITIES

Particulars	31 March 2024	31 March 2023	01 April 2022
Income received in advance	162.35	674.09	802.02
Statutory dues payable	9.47	15.12	5.41
Other liabilities & payables	45.31	117.10	77.99
	217.13	**806.31**	**885.42**

NOTE 24: CURRENT FINANCIAL LIABILITIES - PROVISIONS

Particulars	31 March 2024	31 March 2023	01 April 2022
Provision for employee benefits			
Gratuity (refer note 40)	7.05	3.70	2.61
Leave encashment (refer note 40)	3.39	2.01	1.05
	10.44	**5.71**	**3.66**
Others			
Provision for warranty (refer note 44)	6.33	7.55	4.97
Provision for performance (refer note 44)	10.81	8.32	8.64
	17.14	**15.87**	**13.61**
Total	**27.58**	**21.58**	**17.27**

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

NOTE 25: REVENUE FROM OPERATIONS

Particulars	31 March 2024	31 March 2023
Sale of products	5,165.66	3,691.41
Erection,commissioning and related services	230.48	145.21
Other operating revenues (refer note 25.1)	72.28	82.83
Total	**5,468.42**	**3,919.45**

Note 25.1: Other operating revenues

Particulars	31 March 2024	31 March 2023
Export Incentives	24.07	11.43
Sale of scrap	48.21	71.40
Total	**72.28**	**82.83**

NOTE 26: OTHER INCOME

Particulars	31 March 2024	31 March 2023
(a) Interest income	7.00	5.39
(b) Other non-operating income:		
Gain on fair valuation of investments	0.99	0.09
Balances written back (Net)	-	7.53
Provisions written back	1.27	1.11
Gain on disposal of property,plant & equipment	-	-
Gain on derecognition of Financial liability	-	6.73
Miscellaneous Income	-	0.28
Total	**9.26**	**21.13**

NOTE 27: COST OF MATERIAL CONSUMED

Particulars	31 March 2024	31 March 2023
Inventory at the beginning of the year	441.79	405.81
Add: Purchases during the year	3,450.04	2,581.59
Less: Inventory at the end of the year	486.01	441.79
Raw material and components consumed	**3,405.82**	**2,545.61**

NOTE 28: PURCHASE OF STOCK-IN-TRADE

Particulars	31 March 2024	31 March 2023
Purchases of stock-in-trade	-	-
Total	-	-

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

Particulars	31 March 2024	31 March 2023
Closing Stock:		
Work-in-progress	138.98	219.12
Finished goods	112.80	94.65
Total	**251.77**	**313.77**
Opening Stock:		
Work-in-progress	219.12	178.11
Finished goods	94.65	59.87
Total	**313.77**	**237.98**
(Increase)/Decrease in inventories	**62.00**	**(75.79)**

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

NOTE 30: EMPLOYEE BENEFITS EXPENSE

Particulars	31 March 2024	31 March 2023
Salaries, wages and bonus	406.89	335.47
Directors remuneration	10.22	9.69
Contribution to provident and other funds	17.22	13.77
Gratuity and EL expenses (refer note 40)	14.45	13.62
Staff welfare expenses	15.54	17.11
Total	**464.32**	**389.66**

NOTE 31: FINANCE COSTS

Particulars	31 March 2024	31 March 2023
Interest expense		
- on Term Loans	28.34	11.96
- on Working Capital Facilities	38.24	23.64
- on Lease Liabilities	1.50	4.06
Other borrowing costs	30.81	41.02
Total	**98.89**	**80.68**

NOTE 32: DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	31 March 2024	31 March 2023
Depreciation of Property, plant & equipment	38.44	25.24
Depreciation/amortization of right-of-use assets	5.36	9.89
Amortization of intangible assets	5.50	3.39
Total	**49.30**	**38.52**

NOTE 33: OTHER EXPENSE

Particulars		31 March 2024		31 March 2023
Consumption of Stores & spares		16.47		19.85
Power and Electricity Charges		32.02		16.11
Project Site Expenses		156.44		88.57
Repair & Maintenances:				
'- Plant & Machinery		9.49		18.11
'- Building		16.50		6.09
Freight, Cartage and Octroi (Net)		109.90		51.69
CSR Expenses (refer note 36)		4.34		-
Selling Expenses		86.69		58.84
Travel & Conveyance		39.00		31.24
Rent		10.08		11.22
Rates and Taxes		3.51		8.87
Insurance		3.85		4.40
Payment to auditors				
- Statutory audit fees		1.00		0.70
Warranty Expenses		17.72		-
Advances to Subsidiary written off	-		69.14	
Less:- Reversal of allowance for expected credit loss	-	-	(69.14)	-
Vehicle and other maintenances		28.19		20.22
Advertisement, Publicity and Sales Promotion		10.00		5.65
Communication Cost		3.61		3.36
Legal & Professional Charges		36.98		24.40
Bad debts written off	30.18		181.16	
Less:- Reversal of allowance for expected credit loss	-	30.18	(94.63)	86.53
Other Miscellaneous Expenses		18.39		16.02
Website and Software Expenses		18.64		14.65
Loss on disposal of property,plant & equipment		-		0.02
Gain/Loss on Foreign Exchange Fluctuations (Net)		2.76		10.31
Total		**655.76**		**496.85**

Notes to the Financial Statements for the year ended 31 March 2024

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

NOTE 34: EARNINGS PER SHARE

Particulars	31 March 2024	31 March 2023
i) Net profit available to equity shareholders	522.21	339.76
ii) Weighted average number of equity shares outstanding during the year for the purpose of calculation of earning per share	2,25,86,781	2,25,86,781
iii) Nominal value of equity share (in ₹)	10.00	10.00
iv) Basic earning per share(in ₹)	23.12	15.04
v) Diluted earning per share(in ₹)	23.12	15.04

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

35. Capital commitments and contingent Liabilities

Particulars	31 March 2024	31 March 2023	01 April 2022
Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	41.57	67.70
Contingent Liabilities			
Guarantees given by banks on behalf of the company	261.80	151.34	0.28
Claims against Company not acknowledged as debts	-	-	-
Disputed demands in appeal towards:			
- Income Tax	23.16	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 4.34 million during the financial year ended as on 31 March 2024.These provisions were also applicable to the company for the financial year ended as on 31 March 2023. However, in terms of Section 135 read with Section 198 of the Companies Act,2013 the company was not required to spent on CSR activities during the financial year ended as on 31 March 2023.

Detail of the CSR expenditure incurred is as follows: -

Amount spent on	31 March 2024	31 March 2023	01 April 2022
Construction/acquisition of any asset	-	-	-
On the purposes covered under schedule VII to Companies Act,2013	4.34	-	-

Disclosure related to Corporate social responsibility: -

Particulars	31 March 2024	31 March 2023	01 April 2022
i) Amount required to be spent by the company during the year	4.34	-	-
ii) Amount of expenditure incurred	4.34	-	-
iii) Shortfall at the end of the year	-	-	-
iv) Total of previous years shortfall	-	-	-
v) Reason for shortfall	-	-	-

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

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 2024	Amount spent in the current financial year	Mode of Implementation - Direct (Yes/No)
Food for everyone in Delhi-NCR	Eradicating hunger, poverty and malnutrition	No	Delhi	-	4.34	4.34	No-Through NGO Manav Kalyan Foundation

vii) Details of related party transactions:

a) Contribution during the year ending 31 March 2024 – Nil,31 March 2023- Nil.

b) Payable as at 31 March 2024 – Nil, 31 March 2023- Nil,01 April 2022-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 2024**	**31 March 2023**
Within India	4476.68	3298.77
Outside India	991.74	620.68
Total	**5468.42**	**3919.45**

II) Trade Receivables by geographical market

Particulars	**31 March 2024**	**31 March 2023**	**01 April 2022**
Within India	863.60	591.81	414.95
Outside India	3.99	4.18	12.61
Total	**867.59**	**595.99**	**427.56**

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

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 2024	**31 March 2023**	**01 April 2022**
SED Engineers & Fabricators Pvt. Ltd.	India	Cost	100%	100%	100%
Sustainable Environment Developers Ltd.	India	Cost	100%	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 2024	**31 March 2023**	**01 April 2022**
IPRO Sugar Engineering Pvt. Ltd.	India	Cost	49.99%	49.99%	49.99%

c) Other related parties

SEDL Trust
Spray Engineering Devices Limited-Employees Group Gratuity Trust (w.e.f. 14 November 2022)

d) Key management personnel & their close members of family

Managing Director	Vivek Verma
Whole-time Director	Prateek Verma
Nominee Director	Sridhar Venkatesh
Independent Director	Ashok Kumar (w.e.f. 16 September 2022)
Independent Director	Tara Chand Meenia (w.e.f. 20 October 2021)
Chief Financial Officer	Manoj Gupta
Chief Compliance Officer & Company Secretary	Rinkal Goyal
Close members of family of Key management personnel	Vimarsh Verma

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

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

Particulars	31 March 2024	31 March 2023
SED Engineers & Fabricators Pvt. Ltd.		
Sale of Services	2.95	-
Expenses incurred and reimbursed by the company	1.28	0.58
Sustainable Environment Developers Ltd.		
Sale of Services	13.33	15.36
Expenses incurred and reimbursed by the company	1.81	1.35
Vivek Verma		
Remuneration	5.87	5.28
Rent Paid	0.48	0.40
Prateek Verma		
Remuneration	4.35	4.40
Ashok Kumar		
Sitting Fee	0.05	-
Tara Chand Meenia		
Sitting Fee	0.06	0.07
Manoj Gupta		
Remuneration	3.93	3.15
Rinkal Goyal		
Remuneration	1.35	1.11
Vimarsh Verma		
Remuneration	1.95	1.76

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

Particulars	31 March 2024	31 March 2023	01 April 2022
SED Engineers & Fabricators Pvt. Ltd.			
Trade Receivable	2.01	0.78	2.20
Intercompany loan outstanding	-	-	69.14
Allowance for expected credit loss on Intercompany loan outstanding	-	-	69.14
Sustainable Environment Developers Ltd.			
Trade Receivable	1.05	0.77	0.26
Vivek Verma			
Remuneration Payable	0.24	0.37	0.24
Prateek Verma			
Remuneration Payable	0.31	0.26	0.26
Manoj Gupta			
Remuneration Payable	0.07	0.17	0.17
Rinkal Goyal			
Remuneration Payable	0.12	0.09	0.06
Vimarsh Verma			
Remuneration Payable	0.12	0.10	0.08

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

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 2024**	**31 March 2023**
Depreciation for right-of-use assets	5.36	9.89
Interest expense on lease liabilities	1.50	4.06
Expenses relating to short-term/low value leases	10.08	11.22
Total cash outflow for leases	8.59	11.64

Change in lease liabilities arising from financing activities:

Particulars	**31 March 2024**	**31 March 2023**	**01 April 2022**
Opening lease liability	11.15	83.83	-
Addition to lease liabilities	18.26	15.29	93.39
Derecognition of lease liability	-	80.39	-
Lease payments	7.09	7.58	9.56
Closing lease liability	22.32	11.15	83.83
Non-current	18.04	5.94	77.84
Current	4.28	5.21	5.99
Maturity analysis of lease liabilities:			
-less than 1 year	4.28	5.21	5.99
-between 1 to 3 years	9.73	2.74	15.29
-more than 3 years	8.31	3.20	62.55

40. Employee benefits

(a) Defined contribution plans

The Company has recognized INR 17.22 (31 March 2023: INR 13.77) towards post-employment defined contribution plans comprising provident fund and Employee state insurance scheme in the statement of profit and loss.

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

Particulars	31 March 2024	31 March 2023
Provident Fund	16.12	12.63
ESI Contribution	1.10	1.14

(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: -

Change in present value of obligations:

Particulars	31 March 2024	31 March 2023	01 April 2022
Present value of obligation at the beginning of the year	35.32	26.67	22.62
Interest cost	2.55	2.00	1.62
Current service cost	5.92	4.62	3.40
Benefits Paid	(2.27)	(0.87)	(0.22)
Actuarial (Gain)/Loss	6.10	2.90	(0.75)
Present value of obligation at the end of the year	47.62	35.32	26.67

Change in the fair value of plan assets:

Particulars	31 March 2024	31 March 2023	01 April 2022
Fair value of plan assets at the beginning of the year	0.76	-	-
Expected Interest income	0.06	-	-
Contribution paid by employer	1.00	0.74	-
Benefits paid	0.37	-	-
Actuarial gain/(loss) on plan assets	-	-	-
Return on plan assets excluding interest income	0.02	0.02	-
Fair value of plan assets at the end of the year	1.47	0.76	-

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

Amount recognized in Balance sheet:

Particulars	31 March 2024	31 March 2023	01 April 2022
Present value of obligation at the end of the year	47.62	35.32	26.67
Fair value of plan assets at the end of the year	1.47	0.76	-
Amount recognized in balance sheet	46.15	34.56	26.67
- Current	7.05	3.70	2.61
- Non-current	39.10	30.86	24.06

Expenses recognized in the statement of profit and loss:

Particulars	31 March 2024	31 March 2023
Current service cost	5.92	4.62
Net interest cost	2.50	2.00
Actuarial (gain)/loss	-	-
Employer's direct benefit payment cost	-	(0.87)
Total expense recognized in the profit & loss	8.42	5.75

Amounts recognized in other comprehensive income:

Particulars	31 March 2024	31 March 2023
Actuarial (Gain)/Loss on Obligations	6.10	2.90
Return on plan assets other than amounts included in net interest cost	(0.02)	(0.02)
Net (income)/expense for the period recognized in other comprehensive income	6.08	2.88

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

Particulars	31 March 2024	31 March 2023	01 April 2022
Discount rate	7.24%	7.50%	7.15%
Expected rate of increase in compensation levels*	7.00%	7.00%	7.00%
Expected rate of return on plan assets	7.24%	7.50%	-
Attrition	10.00%	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.

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

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 2024**	**31 March 2023**	**01 April 2022**
Present value of obligation at the beginning of the year	16.40	10.01	6.60
Interest cost	1.19	0.75	0.47
Current service cost	6.77	5.04	3.47
Benefits Paid	(5.73)	(0.26)	(0.05)
Actuarial (Gain)/Loss	(2.07)	0.86	(0.48)
Present value of obligation at the end of the year	16.56	16.40	10.01

Change in the fair value of plan assets:

Particulars	**31 March 2024**	**31 March 2023**	**01 April 2022**
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 2024**	**31 March 2023**	**01 April 2022**
Present value of obligation at the end of the year	16.56	16.40	10.01
Fair value of plan assets at the end of the year	-	-	-
Amount recognized in balance sheet	16.56	16.40	10.01

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

- Current	3.39	2.01	1.05
- Non-current	13.17	14.39	8.96

Expenses recognized in the statement of profit and loss:

Particulars	31 March 2024	31 March 2023
Current service cost	6.77	5.04
Net interest cost	1.19	0.75
Actuarial (gain)/loss	(2.07)	0.86
Employer's direct benefit payment cost	-	-
Total expense recognized in the profit & loss	5.89	6.65

Amounts recognized in other comprehensive income:

Particulars	31 March 2024	31 March 2023
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 2024	31 March 2023	01 April 2022
Discount rate	7.24%	7.50%	7.15%
Expected rate of increase in compensation levels*	7.00%	7.00%	7.00%
Attrition	10.00%	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 2024	31 March 2023	01 April 2022	31 March 2024	31 March 2023	01 April 2022
Financial assets						
Investments in mutual fund	-	-	-	4.10	2.10	-
Other investments	0.75	0.75	0.75	-	-	-

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

Trade Receivables	867.59	595.99	427.56	-	-	-
Others	5.53	28.11	33.00	-	-	-
Cash & Cash Equivalents	1.43	12.67	16.03	-	-	-
Bank Balance	111.34	104.46	61.34	-	-	-
Total Financial assets	**986.64**	**741.98**	**538.68**	**4.10**	**2.10**	**0.00**
Financial liabilities						
Borrowings	752.53	588.05	193.90	-	-	-
Trade Payable	542.05	394.04	321.04	-	-	-
Lease Liabilities	22.32	11.15	83.83			
Total Financial liabilities	**1316.90**	**993.24**	**598.77**	**-**	**-**	**-**

(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 Level1 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 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	3.65	-	3.65	-
Total	**3.65**	**-**	**3.65**	**-**
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**	**-**

Particulars	**Fair value measurements using**			
	Carrying value 31 March 2023	**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	2.10	2.10	-	-
Total	**2.10**	**2.10**	**-**	**-**
Financial liabilities:				
-	-	-	-	-
Total	**-**	**-**	**-**	**-**
Financial Assets & liabilities at amortised cost				
Financial Assets:				
Security Deposit	1.25	-	1.25	-
Total	**1.25**	**-**	**1.25**	**-**

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

Financial liabilities:				
Long-term borrowings	268.01	-	268.01	-
Lease liabilities	11.15	-	11.15	-
Short-term borrowings	320.04	-	320.04	-
Total	**599.20**	**-**	**599.20**	**-**

Particulars	**Fair value measurements using**			
	Carrying value 01 April 2022	**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	-	-	-	-
Total	**-**	**-**	**-**	**-**
Financial liabilities:				
-	-	-	-	-
Total	**-**	**-**	**-**	**-**
Financial Assets & liabilities at amortised cost				
Financial Assets:				
Security Deposit	-	-	-	-
Total	**-**	**-**	**-**	**-**
Financial liabilities:				
Long-term borrowings	61.61	-	61.61	-
Lease liabilities	83.83	-	83.83	-
Short-term borrowings	132.28	-	132.28	-
Total	**277.72**	**-**	**277.72**	**-**

(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:

(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

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

(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:

31 March 2024	**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	542.05	-	-	542.05
% to Total	**82.40%**	**12.52%**	**5.08%**	**100.00%**
31 March 2023	**0-1 Years**	**1-5 Years**	**More than 5 Years**	**Total**
Interest bearing borrowings:				
Working Capital Limits	318.80	-	-	318.80
Term Loan	45.95	140.35	85.73	272.03
Lease Liability including Finance Charge	5.74	6.91	-	12.65
Non-Interest-bearing borrowings:				
Trade and Other payable	394.04	-	-	394.04
% to Total	**76.64%**	**14.76%**	**8.60%**	**100.00%**
01 April 2022	**0-1 Years**	**1-5 Years**	**More than 5 Years**	**Total**
Interest bearing borrowings:				
Working Capital Limits	131.13	-	-	131.13
Term Loan	17.53	45.24	-	62.77
Lease Liability including Finance Charge	16.00	53.40	47.61	117.01

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

Non-Interest-bearing borrowings:				
Trade and Other payable	321.04	-	-	321.04
% to Total	**76.86%**	**15.61%**	**7.53%**	**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 2024	Trade receivables	USD	48493	3.99
	Trade Payables	USD	654913	55.01
		EURO	12349	1.14
31 March 2023	Trade receivables	USD	51000	4.18
	Trade Payables	USD	715136	59.86
		EURO	9375	0.84
01 April 2022	Trade receivables	USD	167726	12.61
	Trade Payables	USD	-	-
		EURO	-	-

(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.

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

(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 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 2024**	**31 March 2023**	**01 April 2022**
Total Borrowings	752.53	588.05	193.90
Less: Cash and Cash equivalents	1.43	12.67	16.03
Net Debt (A)	**753.96**	**600.72**	**209.93**
Equity share capital	225.87	225.87	225.87
Other equity	1018.58	496.37	156.61
Total Equity (B)	**1244.45**	**722.24**	**382.48**
Total Equity and net debt (C=A+B)	**1998.41**	**1322.96**	**592.41**
Gearing ratio (Times) (A/C)	**0.38**	**0.45**	**0.35**

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 2024**	**31 March 2023**	**01 April 2022**
Balance at the beginning of the year	7.55	4.97	3.26

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

Additional provision made during the year	17.72	4.41	5.10
Amount used during the year	18.94	1.83	3.39
Balance at the end of the year	6.33	7.55	4.97

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 2024**	**31 March 2023**	**01 April 2022**
Balance at the beginning of the year	8.32	8.64	4.48
Additional provision made during the year	53.17	-	8.65
Amount used during the year	50.68	0.32	4.49
Balance at the end of the year	10.81	8.32	8.64

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

The Company has granted interest free unsecured loans to a wholly owned subsidiary from financial year 2006-07 to financial year 2015-16 for general corporate purpose. During the financial year 2022-23, the company has written off the said loans against the provision created on the same loans in earlier years. Details of the same is as below: -

Particulars	**31 March 2024**	**31 March 2023**	**01 April 2022**
SED Engineers and Fabricators Pvt. Ltd.	-	-	69.14
Less: - Allowance for expected credit loss	-	-	(69.14)
Total	-	-	-

46. Ratio Analysis

a) Current Ratio = Current Assets divided by the Current Liabilities

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

Particulars	31 March 2024	31 March 2023	Variance in ratio (in %)
Current Assets	2037.79	1869.40	
Current Liabilities	1458.24	1634.46	
Ratio (in times)	**1.40**	**1.14**	**22.81%**

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 2024	31 March 2023	Variance in ratio (in %)
Current borrowings	542.60	363.51	
Non-current borrowings	209.93	224.54	
Total Debt	752.53	588.05	
Total Equity	1244.45	722.24	
Ratio (in times)	**0.60**	**0.81**	**-25.93%**

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 2024	31 March 2023	Variance in ratio (in %)
Profit after tax	530.06	343.48	
Add: Non-cash operating expenses and Interest expenses			
Depreciation and amortization expense	49.30	38.52	
Interest on term loans	28.34	11.96	
Earnings available for debt service	607.70	393.96	
Interest on term loans	28.34	11.96	
Principal repayments	18.60	24.30	
Total Interest and principal repayments	46.94	36.26	
Ratio (in times)	**12.95**	**10.86**	**19.24%**

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

Particulars	31 March 2024	31 March 2023	Variance in ratio (in %)
Profit after tax	530.06	343.48	
Total equity at the beginning of the year (A)	722.24	382.48	
Total equity at the end of the year (B)	1244.45	722.24	
Average Equity (C =(A+B)/2)	983.35	552.36	
Ratio (in %)	**53.90**	**62.18**	**-8.28%**

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

Particulars	31 March 2024	31 March 2023	Variance in ratio (in %)
Cost of goods sold	3467.82	2469.82	
Inventory at the beginning of the year (A)	778.93	662.26	
Inventory at the end of the year (B)	760.51	778.93	
Average Inventory (C =(A+B)/2)	769.72	720.59	
Ratio (in times)	**4.51**	**3.43**	**31.49%**

There is an increase in inventory turnover ratio due to substantial increase in sales of the company.

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

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

Particulars	31 March 2024	31 March 2023	Variance in ratio (in %)
Revenue from operations	5468.42	3919.45	
Trade receivables at the beginning of the year (A)	595.99	427.56	
Trade receivables at the end of the year (B)	867.59	595.99	
Average trade receivables (C =(A+B)/2)	731.79	511.78	
Ratio (in times)	**7.47**	**7.66**	**-2.48%**

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

Particulars	31 March 2024	31 March 2023	Variance in ratio (in %)
Purchase of Raw material (A)	3450.04	2581.59	
Other expenses* (B)	621.24	410.30	
Total of purchase and other expenses (C=A+B)	4071.28	2991.89	
Trade payables at the beginning of the year (D)	394.04	321.04	
Trade payables at the end of the year (E)	542.05	394.04	
Average trade payables (F =(D+E)/2)	468.05	357.54	
Ratio (in times)	**8.70**	**8.37**	**3.94%**

*Other expenses exclude CSR expenditure, loss on sale of property, plant & equipment and bad debts 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 2024	31 March 2023	Variance in ratio (in %)
Revenue from operations	5468.42	3919.45	
Current Assets (A)	2037.79	1869.40	
Current Liabilities (B)	1458.24	1634.46	
Working capital (C=A-B)	579.55	234.94	
Ratio (in times)	**9.44**	**16.68**	**-43.47%**

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 2024	31 March 2023	Variance in ratio (in %)
Profit after tax	530.06	343.48	
Revenue from operations	5468.42	3919.45	
Ratio (in %)	**9.69**	**8.76**	**0.93%**

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

Particulars	31 March 2024	31 March 2023	Variance in ratio (in %)
Profit before tax (A)	741.59	465.05	

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

Finance cost (B)	98.89	80.68	
Other income (C)	9.26	21.13	
EBIT(D=A+B-C)	**831.22**	**524.60**	
Total assets (E)	3014.43	2632.43	
Total Liabilities (F)	1769.98	1910.19	
Intangible assets (G)	14.72	7.59	
Tangible net worth (H=E-F-G)	**1229.73**	**714.65**	
Current borrowings (I)	542.60	363.51	
Non-current borrowings (J)	209.93	224.54	
Total Debts (K=I+J)	**752.53**	**588.05**	
Deferred tax liabilities (net) (L)	31.50	0.00	
Deferred tax assets (net) (M)	0.00	30.88	
Capital employed (N=H+K+L-M)	**2013.76**	**1271.82**	
Ratio (in %)	**41.28**	**41.25**	**0.03%**

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

Particulars	**31 March 2024**	**31 March 2023**	**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 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.

48. First time adoption

The Balance Sheet of the Company as at 31 March 2024, the Statement of profit and loss, the Statement of changes in equity and the Statement of cash flows for the year ended 31 March 2024 have been prepared under Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

I. Exemptions applied

1. Mandatory exception:
a) Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revive the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:

- Determination of the discounted value for financial instruments carried are amortized cost
- Impairment of financial assets based on the expected credit loss model.

b) Classification and measurement of financial assets

IND AS 101 required an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition, Further, the of standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

2. Optional Exemptions

a) Deemed cost for property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial Statement as at the date of transition to Ind-AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date 1 April 2022. For the purpose of financial statements for the year ended 31 March 2024,31 March 2023 and 1 April 2022 the Company has provided the depreciation based on the estimated useful life of respective years.

b) Leases
The Company has adopted Ind AS 116 by applying exemption provided under Ind AS 101. Following approach is followed on transition date (1 April 2022) when applying Ind AS 116 initially.

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

(i) Lease liability is recognized, for leases which were previously classified as operating leases by measuring the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

(ii) A right of use assets is recognized at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Statement of assets and liabilities immediately before the date of initial application.

The Company also applied the available practical expedients wherein it:

a. Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
b. Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
c. Excluded the initial direct costs from the measurement of the right of use asset at the date of initial application.

II. Reconciliation of total equity between previous GAAP and Ind AS

Particulars	Notes	31 March 2023	01 April 2022
Total equity reported earlier under previous GAAP		**717.30**	**386.85**
(i) Ind AS adjustments			
- Adjustment of opening balance of equity		(4.37)	-
- Prior Period errors	a	1.06	-
- Leases	b	(2.22)	(4.37)
- Financial assets measured at Fair Value		0.10	-
- Gain on De-recognition of Financial Liability		6.73	-
- Adjustment for Effective interest rate adjustment on borrowing	c	2.78	-
- Tax adjustments	d	0.84	-
(ii) Restatement adjustments		0.02	-
Total equity as per Ind AS		**722.24**	**382.48**

III. Reconciliation of total comprehensive income between previous GAAP and Ind AS

Particulars		31 March 2023	01 April 2022
Profit for the year reported earlier under previous GAAP		**330.45**	**150.55**
(i) Ind AS adjustments			
- Prior Period Errors	a	1.06	3.69
- Leases	b	(2.22)	(4.37)
- Financial assets measured at Fair Value		0.10	-
- Gain on De-recognition of Financial Liability		6.73	-
- Adjustment for Effective interest rate adjustment on borrowing	c	2.78	-
- Remeasurement of defined benefit plan reclassified to OCI		2.88	(0.75)

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

Decrease in Deferred Tax Expenses due to Ind AS Adjustments	d	0.84	-
Tax Effect of OCI Items		0.84	-
(ii) Restatement adjustments		0.02	-
Profit for the year reported earlier under Ind AS		**343.48**	**149.12**
Other comprehensive income		(2.88)	0.75
- Tax adjustments	d	(0.84)	-
Total comprehensive Income as reported under Ind AS		**339.76**	**149.87**

IV. Notes to Reconciliation

(a) Prior period errors

The Company has certain expenses which were not accounted for in the year when the expense was incurred. During the current year on transition to IND AS, the Company has rectified these errors by restating the balances to the respective year in which they were incurred. The summary of the adjustments has been summarized in the table below: -

The impact arising from the change is as follows:	**Increase/ (decrease)**	
Restated Statement of Profit and Loss	**31 March 2023**	**01 April 2022**
Interest Expense Capitalized as Borrowing cost	1.06	-
Security Premium	-	42.05
Equity share capital	-	1.48
Reserve & Surplus	-	(43.53)
Prior period errors	0.20	3.69
Adjustment before income tax - Profit / (loss)	**1.26**	**3.69**
	Increase/ (decrease)	
Restated Statement of Assets and Liabilities	**31 March 2023**	**01 April 2022**
Assets: Capital Work in Progress	1.06	-

(b) Leases

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incident to the ownership of an asset. Operating leases were expensed in the statement of profit and loss. Under Ind AS 116, all arrangement that fall under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the Group has recognized a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortized over the lease term on a straight-line basis and lease liability is measured at amortized cost at the present value of future lease payments.

The impact arising from the change is as follows:	**Increase/ (decrease)**	
Restated Statement of Profit and Loss	**31 March 2023**	**01 April 2022**
Rent expense	11.64	16.01
Capitalization of Interest & Charges Paid before Commencement of Lease	0.09	-
Interest expense on financial liabilities measured at amortized cost - on lease liabilities	(4.06)	(6.59)

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

Depreciation expense	(9.89)	(13.79)
Adjustment before income tax - Profit / (loss)	**(2.22)**	**(4.37)**
	Increase/ (decrease)	
Restated Statement of Assets and Liabilities	**31 March 2023**	**01 April 2022**
Assets: Right-of-use assets	11.94	79.46
Liabilities: Lease liabilities (Borrowings)	11.15	83.83

(c) Adjustment for Effective interest rate adjustment on borrowing
As per Ind AS 109, the Company has classified Term Loans as financial liabilities to be measured at amortized cost. The borrowings have been restated as at the date of transition using effective interest method i.e., (Transaction value Less unamortized portion of transaction cost) and subsequently measured at amortized cost.

(d) Deferred Taxes
Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in relation to the underlying transaction either in retained earnings or through other comprehensive income.

The impact arising from the change is as follows:	**Increase/ (decrease)**	
Restated statement of Proft & Loss	**31 March 2023**	**01 April 2022**
Tax adjustments on Ind AS adjustments		
Deferred tax impact on lease	0.22	-
Deferred tax impact on financial assets measured at amortized cost	(1.87)	-
Deferred tax impact on financial liability measured at amortized cost	0.81	-
Adjustment before income tax - Profit / (loss)	**0.84**	**-**
	Increase/ (decrease)	
Restated Statement of Assets and Liabilities	**31 March 2023**	**01 April 2022**
Liability: Deferred tax Liability(net)	0.84	

(e) Remeasurements of the defined benefit plans reclassified to OCI
Under Previous GAAP, the Company recognized remeasurement of defined benefit plans under Statement of Profit and Loss. Under Ind AS, remeasurement of defined benefit plans are recognized immediately in the financial statements with a corresponding debit or credit to retained earnings through OCI.

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
Firm's Registration No. 003803N

Paras Gupta
Partner
Membership No.:546125
UDIN: 24546125BKBUQN2569

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

Sd/-
Vivek Verma
Managing Director
DIN : 00032970

Sd/-
Prateek Verma
Whole-time Director
DIN : 00024740

Place: Mohali
Date :26 August 2024

Sd/-
Manoj Gupta
Chief Financial Officier

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, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes inEquity 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, 2024 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. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Revenue is recognized when performance obligation is satisfied by transferring upon transfer of control of promised product to the customers and when the collection of consideration by the Group is "probable". In specifically, revenue from sale of products is recognised at a point in time when performance obligation is satisfied and is based on the transfer of control to the customer as per terms of the contract. There is a risk, during the year and at the	Our audit procedures included: • Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard; • Evaluated the design and implementation of key controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions. • Involved our IT specialists to assist us in testing of key IT system controls which impact revenue recognition; • Performed detailed testing by selecting samples

	end of the year, revenue being recognized from sale of products without contract with customer or without transfer of control of the products as per the delivery terms or revenue is not recorded in the correct accounting period.	of revenue transactions recorded during and after the year. For such samples, verified the underlying documents supporting the revenue recognition as per the accounting policy in the correct accounting year; and • Tested sample journal entries for revenue recognized during the year, selected based on specified risk-based criteria, to identify unusual transactions.

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 otherinformation, 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 ofthe accounting records, relevant to the preparation and presentation of the financial statements that give atrue 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 thebasis 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, 2024, which have been incorporated in the consolidated financial statements. The annual financial statements of subsidiaries reflect total assets of Rs. 11.95 million as at March 31, 2024 (Previous year Rs.12.45 million), total revenues of Rs. 19.01 million (Previous year Rs.19.82 million) and net cash inflows/(Outflows) amounting Rs.1.26 million for the year ended on that date (Previous year Rs. 0.85 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.

   d) In our opinion, the aforesaid Consolidated 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 of the Company as on March 31, 2024 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, 2024 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 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.

   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 Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 2.24 to the Consolidated Financial Statements.

ii) TheGroup 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 toor 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 appropriatein 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, 2024 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.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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, 2024, 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)

Sd/-
Paras Gupta
Partner
(Membership No.546125)
UDIN: 24546125BKBUQT6176

Place: Mohali
Date: 26 August, 2024

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, 2024, 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 complywith 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, 2024, 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)

Sd/-
Paras Gupta
Partner
(Membership No.546125)
UDIN: 24546125BKBUQT6176

Place: Mohali
Date: 26 August, 2024

SPRAY ENGINEERING DEVICES LIMITED **CIN-U00000CH2004PLC027625**

Consolidated Balance Sheet as at 31 March 2024

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

Particulars	Notes	31 March 2024	31 March 2023	01 April 2022
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant & Equipment	3	761.00	534.97	256.08
(b) Right-of-use assets	4	27.08	11.94	79.46
(c) Intangible assets	3a	14.72	7.59	6.03
(d) Intangible assets under development	3b	-	-	-
(e) Capital work-in-progress	3b	131.93	128.50	7.53
(f) Financial assets				
(i) Investments	5	0.25	0.25	0.25
(ii) Loans		-	-	-
(iii) Trade receivables		-	-	-
(iv) Other financial assets	6	3.87	25.51	31.70
(g) Deferred tax assets (net)	7	-	31.23	100.49
(h) Other non-current asstes	8	37.41	23.01	16.79
Total non-current assets		**976.26**	**763.00**	**498.33**
(2) Current Assets				
(a) Inventories	9	760.51	778.93	662.26
(b) Financial assets				
(i) Investments	10	4.10	2.10	-
(ii) Trade receivables	11	868.04	600.82	429.02
(iii) Cash and cash equivalents	12	4.10	14.07	16.60
(iv) Bank balance other than (iii) above		112.29	105.35	62.20
(v) Loans		-	-	-
(vi) Other financial assets	13	1.66	2.60	1.30
(c) Current tax assets (net)	14	-	-	-
(d) Other current assets	15	294.87	374.92	250.82
Total current assets		**2,045.57**	**1,878.79**	**1,422.20**
TOTAL ASSETS		**3,021.83**	**2,641.79**	**1,920.53**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	16	225.87	225.87	225.87
(b) Other Equity	17	1,006.92	483.22	139.93
Total Equity		**1,232.79**	**709.09**	**365.80**
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	209.93	224.54	45.14
(ia) Lease Liabilities	19	18.04	5.94	77.84
(ii) Other financial liabilities		-	-	-
(b) Provisions	20	52.27	45.25	33.02
(c) Deferred tax liabilities (net)	7	31.04	-	-
(d) Other non-current liabilities		-	-	-
Total non-current liabilities		**311.28**	**275.73**	**156.00**
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	542.60	363.51	148.76
(ia) Lease liabilities		4.28	5.21	5.99
(ii) Trade payables				
(a) Total outstanding dues of micro enterprises and small enterprises	22	52.17	38.32	25.02
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		507.86	374.44	314.74
(iii) Other financial liabilities		-	-	-
(b) Other current liabilities	23	218.80	810.56	886.50
(c) Provisions	24	27.58	21.58	17.27
(d) Current tax liabilities (net)	14	124.47	43.35	0.45
Total current liabilities		**1,477.76**	**1,656.97**	**1,398.73**
TOTAL EQUITY AND LIABILITIES		**3,021.83**	**2,641.79**	**1,920.53**
Corporate information	1			
Summary of material acccounting 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

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

Paras Gupta
Partner
Membership No. 546125
UDIN: 24546125BKBUQT6176

Sd/-
Vivek Verma
Managing Director
DIN: 00032970

Sd/-
Prateek Verma
Whole-time Director
DIN: 00024740

Place: Mohali
Date: 26 August 2024

Sd/-
Manoj Gupta
Chief Financial Officer

Sd/-
Rinkal Goyal
Company Secretary
Membership No. F11321

SPRAY ENGINEERING DEVICES LIMITED **CIN-U00000CH2004PLC027625**

Statement of Consolidated Profit and Loss for the year ended 31 March 2024

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

	Particulars	Notes	31 March 2024	31 March 2023
I	Revenue from operations	25	5,473.45	3,926.18
II	Other income	26	9.34	21.18
III	**Total Income (I+II)**		**5,482.79**	**3,947.36**
IV	**Expenses**			
	Cost of Material Consumed	27	3,405.82	2,545.61
	Purchase of stock in trade	28	-	-
	(Increase)/Decrease in inventories of finished goods,stock-in-trade and WIP	29	62.00	(75.79)
	Employee benefit expense	30	465.61	392.05
	Finance Costs	31	98.91	80.71
	Depreciation and amortization expense	32	49.30	38.52
	Other expenses	33	657.80	496.91
	Total Expenses (IV)		**4,739.44**	**3,478.01**
V	**Profit/(Loss) before exceptional items (III-IV)**		**743.35**	**469.35**
VI	**Exceptional items**		-	-
VII	**Profit/(Loss) before tax (V-VI)**		**743.35**	**469.35**
VIII	**Tax Expense**			
	(1) Current Tax		151.30	53.72
	(2) Deferred Tax		60.50	68.42
	Total Tax Expense		**211.80**	**122.14**
IX	**Profit/(Loss) for the year from continuing operations (VII-VIII)**		**531.55**	**347.21**
X	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss		(6.08)	(2.88)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.77)	(0.84)
	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)		**(7.85)**	**(3.72)**
XI	**Total comprehensive income (IX+X)(Comprising Profit/(Loss) and other comprehensive income for the year**		**523.70**	**343.49**
XII	**Earning per equity share of ₹ 10/- each**	34		
	Basic earning per share(in ₹)		23.19	15.21
	Diluted earning per share(in ₹)		23.19	15.21

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Summary of material acccounting 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

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

Paras Gupta
Partner
Membership No. 546125
UDIN: 24546125BKBUQT6176

Sd/-
Vivek Verma
Managing Director
DIN : 00032970

Sd/-
Prateek Verma
Whole-time Director
DIN: 00024740

Place: Mohali
Date: 26 August 2024

Sd/-
Manoj Gupta
Chief Financial Officer

Sd/-
Rinkal Goyal
Company Secretary
Membership No. F11321

SPRAY ENGINEERING DEVICES LIMITED **CIN-U00000CH2004PLC027625**

Statement of Consolidated Cash Flows for the year ended 31 March 2024

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

Particulars	31 March 2024	31 March 2023
(A) Cash flow from operating activities		
- Profit/(Loss) before tax	737.27	466.47
Adjustments for:		
- Depreciation/amortization	49.30	38.52
- Bad debts written off	30.18	86.53
- Gain on Derecognition of Financial Liabilities	-	(6.73)
-(Gain)/Loss on sale of Property,plant & equipment	-	0.02
- (Gain)/Loss on Fair Valuation of Investments	(0.99)	(0.09)
- Finance cost	98.91	80.71
- Interest income	(7.08)	(5.44)
- Other Appropriations	-	(0.20)
Operating profit before working capital changes	**907.59**	**659.79**
Movements in working capital :		
- Increase/(decrease) in trade payables	147.27	73.00
- Increase/(decrease) in other current liabilities and provisions	(578.74)	(59.40)
- Decrease/(increase) in trade receivables	(297.40)	(258.33)
- Decrease/(increase) in inventories	18.42	(116.67)
- Decrease/(increase) in other current assets	64.18	(84.59)
Cash generated from /(used in) operations	**261.32**	**213.80**
- Income tax paid (net of refunds)	(70.17)	(59.10)
Net cash flow from/ (used in) operating activities	**191.15**	**154.70**
(B) Cash flows from investing activities		
- Purchase of PPE including capital work-in-progress and intangible assets	(301.03)	(448.05)
- (Increase)/decrease in other bank balances	17.10	(35.71)
- Proceeds from sale of property,plant and equipment	-	1.95
- Interest income	7.08	5.44
- (Increase)/Decrease in Investments	(1.01)	(2.01)
Net cash flow from/(used in) investing activities	**(277.86)**	**(478.38)**
(C) Cash flows from financing activities		
- Proceeds/(repayment) of long-term borrowings	0.19	214.11
- Proceeds/(repayment) of short-term borrowings	175.46	187.75
- Finance cost	(98.91)	(80.71)
Net cash flow from/(used in) in financing activities	**76.74**	**321.15**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(9.97)	(2.53)
Cash and cash equivalents at the beginning of the year	14.07	16.60
Cash and cash equivalents at the end of the year	**4.10**	**14.07**
Components of cash and cash equivalents		
- Cash on hand (refer note 12)	0.10	0.11
- On Current account (refer note 12)	4.00	13.96
Cash and cash equivalents	**4.10**	**14.07**

Corporate information	1
Summary of material acccounting 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

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

Paras Gupta
Partner
Membership No. 546125
UDIN: 24546125BKBUQT6176

Sd/-
Vivek Verma
Managing Director
DIN: 00032970

Sd/-
Prateek Verma
Whole-time Director
DIN: 00024740

Place: Mohali
Date: 26 August 2024

Sd/-
Manoj Gupta
Chief Financial Officer

Sd/-
Rinkal Goyal
Company Secretary
Membership No. F11321

SPRAY ENGINEERING DEVICES LIMITED

CIN-U00000CH2004PLC027625

Consolidated Statement of Changes in Equity for the year ended 31 March 2024

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

A. Equity share capital

Particulars	31 March 2024		31 March 2023		01 April 2022	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	**22586781**	**225.87**	**22586781**	**225.87**	**22586781**	**225.87**
Changes during the year	-	-	-	-	-	-
Balanace at the end of the year	**22586781**	**225.87**	**22586781**	**225.87**	**22586781**	**225.87**

B. Other equity (refer note 17)

Particulars	Securities Premium	Retained earnings	Total
Balance as at 01 April 2022	**613.01**	**(473.08)**	**139.93**
Add : Profit for the year	-	347.21	347.21
Add : Other comprehensive income (loss) for the year	-	(3.72)	(3.72)
Less: Appropriations	-	0.20	0.20
Balance as at 31 March 2023	**613.01**	**(129.79)**	**483.22**
Balance as at 01 April 2023	**613.01**	**(129.79)**	**483.22**
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**

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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

Paras Gupta
Partner
Membership No. 546125
UDIN: 24546125BKBUQT6176

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

Sd/-
Vivek Verma
Managing Director
DIN: 00032970

Sd/-
Prateek Verma
Whole-time Director
DIN: 00024740

Sd/-
Manoj Gupta
Chief Financial Officer

Sd/-
Rinkal Goyal
Company Secretary
Membership No. F11321

Place: Mohali
Date: 26 August 2024

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.

The Company's financial statements up to and for the year ended 31 March 2023 were prepared in accordance with the accounting standards notified under section 133 of the Companies Act,2013("Indian GAAP").

As these are Company's first financial statements prepared in accordance with Indian Accounting Standards ('Ind AS'), Ind AS 101, *First time adoption of Indian Accounting Standards* has been applied.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Group has presented an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows (Refer Note 48).

These financial statements were approved for issue by the Company's Board of Directors on 26 August 2024.

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 2024. 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 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 2024	31 March 2023	01 April 2022
SED Engineers & Fabricators Private Limited	India	100%	100%	100%
Sustainable Environment Developers Limited	India	100%	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'.

- **Transition to Ind AS**

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as of 01 April 2022, measured as per the Indian GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see note 48).

- **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.l 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 Proft 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 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(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 2021	32.38	224.17	-	242.69	16.89	16.59	16.20	18.24	567.16
Additions	-	-	-	22.12	0.48	2.53	1.07	11.56	37.76
Disposals	-	-	-	-	-	-	-	0.41	0.41
Gross carrying value as of 01 April 2022	**32.38**	**224.17**	**-**	**264.81**	**17.37**	**19.12**	**17.27**	**29.39**	**604.51**
Accumulated depreciation as of 01 April 2021	-	88.30	-	193.79	13.96	10.79	13.10	9.80	329.74
Depreciation charge for the year	-	7.08	-	6.14	0.38	2.29	0.72	2.48	19.09
Disposals	-	-	-	-	-	-	-	0.40	0.40
Accumulated depreciation as of 01 April 2022	**-**	**95.38**	**-**	**199.93**	**14.34**	**13.08**	**13.82**	**11.88**	**348.43**
Net Carrying value as of 01 April 2022	**32.38**	**128.79**	**-**	**64.88**	**3.03**	**6.04**	**3.45**	**17.51**	**256.08**
Gross carrying value as of 01 April 2022	32.38	224.17	-	264.81	17.37	19.12	17.27	29.39	604.51
Additions	-	-	257.61	28.53	0.22	5.10	2.83	11.80	306.09
Disposals	-	-	-	0.95	-	-	-	1.20	2.15
Gross carrying value as of 31 March 2023	**32.38**	**224.17**	**257.61**	**292.39**	**17.59**	**24.22**	**20.10**	**39.99**	**908.45**
Accumulated depreciation as of 01 April 2022	-	95.38	-	199.93	14.34	13.08	13.82	11.88	348.43
Depreciation charge for the year	-	7.08	1.34	7.80	0.40	3.86	1.19	3.57	25.24
Disposals	-	-	-	0.03	-	-	-	0.16	0.19
Accumulated depreciation as of 31 March 2023	**-**	**102.46**	**1.34**	**207.70**	**14.74**	**16.94**	**15.01**	**15.29**	**373.48**
Net Carrying value as of 31 March 2023	**32.38**	**121.71**	**256.27**	**84.69**	**2.85**	**7.28**	**5.09**	**24.70**	**534.97**
Gross carrying value as of 01 April 2023	32.38	224.17	257.61	292.39	17.59	24.22	20.10	39.99	908.45
Additions	-	-	-	240.28	10.00	6.04	1.57	6.58	264.47
Disposals	-	-	-	-	-	-	-	1.68	1.68
Gross carrying value as of March 31, 2024	**32.38**	**224.17**	**257.61**	**532.67**	**27.59**	**30.26**	**21.67**	**44.89**	**1,171.24**
Accumulated depreciation as of 01 April 2023	-	102.46	1.34	207.70	14.74	16.94	15.01	15.29	373.48
Depreciation charge for the year	-	7.08	4.08	15.53	1.10	4.65	1.70	4.30	38.44
Disposals	-	-	-	-	-	-	-	1.68	1.68
Accumulated depreciation as of 31 March 2024	**-**	**109.54**	**5.42**	**223.23**	**15.84**	**21.59**	**16.71**	**17.91**	**410.24**
Net Carrying value as of 31 March 2024	**32.38**	**114.63**	**252.19**	**309.44**	**11.75**	**8.67**	**4.96**	**26.98**	**761.00**

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

Note 3a: Intangible assets

Particulars	Package & software	Drawing & Copyrights	Drawing & Copyrights	Total
Gross carrying value as of 01 April 2021	57.83	1,09,74,947	10.97	68.80
Additions	3.92	-	-	3.92
Disposals	-	-	-	-
Gross carrying value as of 01 April 2022	**61.75**	**1,09,74,947.00**	**10.97**	**72.72**
Accumulated depreciation as of 01 April 2021	53.45	1,09,74,947	10.97	64.42
Depreciation charge for the year	2.27	-	-	2.27
Disposals	-	-	-	-
Accumulated depreciation as of 01 April 2022	**55.72**	**1,09,74,947.00**	**10.97**	**66.69**
Net Carrying value as of 01 April 2022	**6.03**	**-**	**-**	**6.03**
				-
Gross carrying value as of 01 April 2022	61.75	1,09,74,947	10.97	72.72
Additions	4.95	-	-	4.95
Disposals	-	-	-	-
Gross carrying value as of 31 March 2023	**66.70**	**1,09,74,947.00**	**10.97**	**77.67**
Accumulated depreciation as of 01 April 2022	55.72	1,09,74,947	10.97	66.69
Depreciation charge for the year	3.39	-	-	3.39
Disposals	-	-	-	-
Accumulated depreciation as of 31 March 2023	**59.11**	**1,09,74,947.00**	**10.97**	**70.08**
Net Carrying value as of 31 March 2023	**7.59**	**-**	**-**	**7.59**
Gross carrying value as of 01 April 2023	66.70	1,09,74,947	10.97	77.67
Additions	12.63	-	-	12.63
Disposals	-	-	-	-
Gross carrying value as of 31 March 2024	**79.33**	**1,09,74,947.00**	**10.97**	**90.30**
Accumulated depreciation as of 01 April 2023	59.11	1,09,74,947	10.97	70.08
Depreciation charge for the year	5.50	-	-	5.50
Disposals	-	-	-	-
Accumulated depreciation as of 31 March 2024	**64.61**	**1,09,74,947.00**	**10.97**	**75.58**
Net Carrying value as of 31 March 2024	**14.72**	**-**	**-**	**14.72**

Note 3b: Intangible assets under development and Capital work-in-progress

Particulars	Intangible Assets under development	Captial Work-in-progress	Captial Work-in-progress
Balance as on 01 April 2021	1.44	-	-
Add:Additions during the year	2.48	75,30,000	7.53
Less:Capitalised/expense out during the year	3.92	-	-
Balance as on 01 April 2022	-	**75,30,000**	**7.53**
Balance as on 01 April 2022	-	75,30,000	7.53
Add:Additions during the year	-	12,09,73,208	120.97
Less:Capitalised/expense out during the year	-	-	-
Balance as on 31 March 2023	-	**12,85,03,208**	**128.50**
Balance as on 01 April 2023	-	12,85,03,208	128.50
Add:Additions during the year	-	14,48,27,333	144.83
Less:Capitalised/expense out during the year	-	14,14,02,078	141.40
Balance as on 31 March 2024	-	**13,19,28,463**	**131.93**

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

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

31 March 2024

Particulars	Amount in capital work-in-progress for a period of				
	< 1 year	1 to 2 years	2 to 3 years	> 3 years	Total
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**

31 March 2023

Particulars	Amount in capital work-in-progress for a period of				
	< 1 year	1 to 2 years	2 to 3 years	> 3 years	Total
i) Projects in progress	120.97	7.53	-	-	**128.50**
ii)Projects temporarily suspended	-	-	-	-	-
Total	**120.97**	**7.53**	-	-	**128.50**

01 April 2022

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

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

(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 2024	31 March 2023	01 April 2022
Buildings			
Gross Carrying Value at the Beginning of the year	11.64	93.25	-
Additions	-	7.78	93.25
Deletions	-	89.39	-
Gross carrying value at the end of the year	**11.64**	**11.64**	**93.25**
Accumulated depreciation at the beginning of the year	7.75	13.79	-
Depreciation charge for the year	3.89	9.68	13.79
Deletions	-	15.72	-
Accumulated depreciation at the end of the year	**11.64**	**7.75**	**13.79**
Net Carrying Value at the end of the year (A)	**-**	**3.89**	**79.46**
Plant & Machinery			
Gross Carrying Value at the Beginning of the year	8.25	-	-
Additions	20.50	8.25	-
Deletions	-	-	-
Gross carrying value at the end of the year	**28.75**	**8.25**	**-**
Accumulated depreciation at the beginning of the year	0.20	-	-
Depreciation charge for the year	1.47	0.20	-
Deletions	-	-	-
Accumulated depreciation at the end of the year	**1.67**	**0.20**	**-**
Net Carrying Value at the end of the year (B)	**27.08**	**8.05**	**-**
Total Carrying Value (A+B)	**27.08**	**11.94**	**79.46**

SPRAY ENGINEERING DEVICES LIMITED **CIN-U00000CH2004PLC027625**

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

NOTE 5: NON-CURRENT FINANCIAL ASSET - INVESTMENTS

Particulars	31 March 2024			31 March 2023			01 April 2022		
	Face Value per share (₹)	Number of Shares	Value	Face Value per share (₹)	Number of Shares	Value	Face Value per share (₹)	Number of Shares	Value
Investment in equity instruments (at cost)									
Equity shares of Associate fully paid up (unquoted)									
IPRO Sugar Engineering Private Limited	10	25,000	0.25	10	25,000	0.25	10	25,000	0.25
Total			**0.25**			**0.25**			**0.25**
Less: Provision for impairment on investments			-			-			-
Total			**0.25**			**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	100	3,00,000	30.00
Total			**30.00**			**30.00**			**30.00**
Less: Provision for impairment on investments			30.00			30.00			30.00
Total			-			-			-
Aggregate amount of quoted investments and market value thereof			-			-			-
Aggregate amount of unquoted investments			**30.25**			**30.25**			**30.25**
Aggregate amount of impairment in value of investments			**30.00**			**30.00**			**30.00**

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

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

Particulars	31 March 2024	31 March 2023	01 April 2022
Security deposits	3.65	1.25	-
Balance with banks-deposits accounts with original maturity of more than 12 months	0.22	24.26	31.70
Total	**3.87**	**25.51**	**31.70**

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

Particulars	01 April 2023	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	31 March 2024
Deferred tax liability				
Property,plant & equipments and intangible assets	37.47	19.03	-	56.50
Right of Use Assets	3.48	4.41	-	7.89
Remeasurements of Financial Liabilities at effective interest method	0.81	(0.19)	-	0.62
Gross deferred tax liability (A)	**41.76**	**23.25**	**-**	**65.01**
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	15.65	12.46	(1.77)	26.34
Expected credit loss allowance on trade receivables	-	-	-	-
Lease liabilities	3.25	3.25	-	6.50
Remeasurements of Financial Assets at Amortised Cost	1.87	(1.21)	-	0.66
Sub total	**20.77**	**14.50**	**(1.77)**	**33.50**
Unused Tax Credits				
Minimum Alternate Tax	52.22	(51.75)		0.47
Gross deferred tax asset (B)	**72.99**	**(37.25)**	**(1.77)**	**33.97**
Net deferred tax (assets)/ liability (A - B)	**(31.23)**	**60.50**	**1.77**	**31.04**

Particulars	01 April 2022	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	31 March 2023
Deferred tax liability				
Property,plant & equipments and intangible assets	-	37.47	-	37.47
Right of Use Assets	-	3.48	-	3.48
Remeasurements of Financial Liabilities at effective interest method	-	0.81	-	0.81
Gross deferred tax liability (A)	-	**41.76**	-	**41.76**
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	-	16.49	(0.84)	15.65
Expected credit loss allowance on trade receivables	-	-	-	-
Lease liabilities	-	3.25	-	3.25
Remeasurements of Financial Assets at Amortised Cost	-	1.87	-	1.87
Sub total	**-**	**21.61**	**(0.84)**	**20.77**
Unused Tax Credits				
Minimum Alternate Tax	100.49	(48.27)	-	52.22
Gross deferred tax asset (B)	**100.49**	**(26.66)**	**(0.84)**	**72.99**
Net deferred tax (assets)/ liability (A - B)	**(100.49)**	**68.42**	**0.84**	**(31.23)**

Particulars	01 April 2021	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	01 April 2022
Deferred tax liability				
Property,plant & equipments and intangible assets	-	-	-	-
Gross deferred tax liability (A)	-	-	-	-
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	-	-	-	-
Expected credit loss allowance on trade receivables	-	-	-	-
Lease Liabilities	-	-	-	-
Sub total	-	-	-	-
Unused Tax Credits				
Minimum Alternate Tax	89.28	11.21	-	100.49
Gross deferred tax asset (B)	**89.28**	**11.21**	-	**100.49**
Net deferred tax (assets)/ liability (A - B)	**(89.28)**	**(11.21)**	-	**(100.49)**

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

NOTE 8: OTHER NON-CURRENT ASSETS

Particulars	31 March 2024	31 March 2023	01 April 2022
Capital Advances	-	-	-
Advances other than Capital Advances			
- Security Deposits	26.06	11.66	5.44
- Other Advances	11.35	11.35	11.35
Total	**37.41**	**23.01**	**16.79**

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

Particulars	31 March 2024	31 March 2023	01 April 2022
Raw Material & Components	486.01	441.79	405.81
Stores and spares	22.72	23.37	18.47
Work-in-progress	138.98	219.12	178.11
Finished goods	112.80	94.65	59.87
Total	**760.51**	**778.93**	**662.26**

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

NOTE 10: CURRENT FINANCIAL ASSET - INVESTMENTS

Particulars	31 March 2024	31 March 2023	01 April 2022
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 2023 - 8227.572 Units)	0.77	0.56	-
Canara Robeco Equity Hybrid Fund - Regular Growth - 2222.136 Units (31 March 2023- 2222.136 Units)	0.69	0.54	-
Bank of India Multi Cap Fund - Regular Plan- Growth - 141043.851 Units (31 March 2023 - 99995 Units)	2.13	1.00	-
Bank of India MultiAsset Allocation Fund - Regular Plan- Growth - 49997 Units (31 March 2023 - Nil Units)	0.51	-	-
Investments at Amortised Cost			
Unquoted Investments	-	-	-
Total Investments	**4.10**	**2.10**	-
Aggregate amount of quoted investments and market value thereof	4.10	2.10	-
Aggregate amount of unquoted investments	-	-	-
Aggregate amount of impairment in value of investments	-	-	-
Total	**4.10**	**2.10**	**-**

NOTE 11: CURRENT FINANCIAL ASSET - TRADE RECEIVABLES

Particulars	31 March 2024	31 March 2023	01 April 2022
Trade receivables considered good - secured	-	-	-
Trade receivables considered good - unsecured	868.04	600.82	429.02
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	39.80	39.80	137.31
Less: Allowance for expected credit loss	(39.80)	(39.80)	(137.31)
Total	**868.04**	**600.82**	**429.02**

Movement in expected credit loss allowance of trade receivables	31 March 2024	31 March 2023	01 April 2022
Balance at the beginning of the year	**39.80**	**137.31**	**299.67**
Add:- Additions during the year	-	-	-
Less:- Bad debts written off	-	97.51	162.36
Balance at the end of the year	**39.80**	**39.80**	**137.31**

(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					
	< 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	Total
Undisputed Trade Receivables - considered good						
31 March 2024	470.77	100.05	169.02	44.82	17.36	**802.02**
31 March 2023	295.42	120.67	73.63	14.99	32.39	**537.10**
01 April 2022	176.30	85.02	38.81	25.79	52.39	**378.31**
Undisputed Trade Receivables - which have significant increase in credit risk						
31 March 2024	-	-	-	-	-	-
31 March 2023	-	-	-	-	-	-
01 April 2022	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired						
31 March 2024	-	-	-	-	39.80	**39.80**
31 March 2023	-	-	-	-	39.80	**39.80**
01 April 2022	-	-	-	-	137.31	**137.31**
Disputed Trade Receivables - considered good						
31 March 2024	-	-	4.41	-	61.61	**66.02**
31 March 2023	-	-	-	3.36	60.36	**63.72**
01 April 2022	-	-	-	-	50.71	**50.71**
Disputed Trade Receivables - which have significant increase in credit risk						
31 March 2024	-	-	-	-	-	-
31 March 2023	-	-	-	-	-	-
01 April 2022	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired						
31 March 2024	-	-	-	-	-	-
31 March 2023	-	-	-	-	-	-
01 April 2022	-	-	-	-	-	-
Total	**470.77**	**100.05**	**173.43**	**44.82**	**118.77**	**907.84**
Total	**295.42**	**120.67**	**73.63**	**18.35**	**132.55**	**640.62**
Total	**176.30**	**85.02**	**38.81**	**25.79**	**240.41**	**566.33**
Less:-Allowance for expected credit loss						
31 March 2024	-	-	-	-	39.80	**39.80**
31 March 2023	-	-	-	-	39.80	**39.80**
01 April 2022	-	-	-	-	137.31	**137.31**
Total Trade Receivables(Net)						
31 March 2024	**470.77**	**100.05**	**173.43**	**44.82**	**78.97**	**868.04**
31 March 2023	**295.42**	**120.67**	**73.63**	**18.35**	**92.75**	**600.82**
01 April 2022	**176.30**	**85.02**	**38.81**	**25.79**	**103.10**	**429.02**

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

NOTE 12: CURRENT FINANCIAL ASSET - CASH AND CASH EQUIVALENTS

Particulars	31 March 2024	31 March 2023	01 April 2022
(A) Balances with banks:			
-In current accounts	4.00	13.96	12.98
-In fixed deposit under lien held as margin money (for credit facility and bank guarantee) maturing within 12months	112.29	105.35	62.20
(B) Cash on hand	0.10	0.11	3.62
Total	**116.39**	**119.42**	**78.80**
Cash & cash equivalents	**4.10**	**14.07**	**16.60**
Bank Balance other than above	**112.29**	**105.35**	**62.20**

NOTE 13: CURRENT FINANCIAL ASSET - OTHER FINANCIAL ASSETS

Particulars	31 March 2024	31 March 2023	01 April 2022
Interest accrued but not due on bank fixed deposits	1.66	2.60	1.30
Total	**1.66**	**2.60**	**1.30**

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

Particulars	31 March 2024	31 March 2023	01 April 2022
Provision for taxation (Net of advance tax & tds)	(124.47)	(43.35)	(0.45)
Total	**(124.47)**	**(43.35)**	**(0.45)**

NOTE 15: OTHER CURRENT ASSETS

Particulars	31 March 2024	31 March 2023	01 April 2022
Capital advances	-	41.53	-
Advances other than capital advances			
- Advances to suppliers			
Unsecured, considered good	193.65	232.02	215.24
Unsecured, considered doubtful	1.24	1.93	1.95
-Other advances	101.22	101.37	35.58
	296.11	**376.85**	**252.77**
Less: Allowance for expected credit loss	(1.24)	(1.93)	(1.95)
Total	**294.87**	**374.92**	**250.82**

SPRAY ENGINEERING DEVICES LIMITED **CIN-U00000CH2004PLC027625**

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

NOTE 16: EQUITY SHARE CAPITAL

Particulars	31 March 2024		31 March 2023		01 April 2022	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorized share capital	**4,00,00,000**	**400.00**	**4,00,00,000**	**400.00**	**2,40,50,000**	**240.50**
Equity shares of ₹ 10/- each with voting rights						
Issued share capital	**2,25,86,781**	**225.87**	**2,25,86,781**	**225.87**	**2,25,86,781**	**225.87**
Equity shares of ₹ 10/- each with voting rights						
Subscribed and fully paid-up share Capital	**2,25,86,781**	**225.87**	**2,25,86,781**	**225.87**	**2,25,86,781**	**225.87**
Equity shares of ₹ 10/- each with voting rights						
Total	**2,25,86,781**	**225.87**	**2,25,86,781**	**225.87**	**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 capital as under:

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

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

Particulars	31 March 2024		31 March 2023		01 April 2022	
	Number of shares	Amount	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**	**2,25,86,781**	**225.87**
Add: Issued during the year	-	-	-	-	-	-
Less: Shares bought back	-	-	-	-	-	-
Equity shares outstanding at the end of the year	**2,25,86,781**	**225.87**	**2,25,86,781**	**225.87**	**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 2024		31 March 2023		01 April 2022	
	Number of shares held	% Holding in that class of shares	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	53.99%	1,28,06,661	56.70%	1,28,06,661	56.70%
(ii) Mr. Prateek Verma (Whole-time Director)	59,42,730	26.31%	59,89,987	26.52%	59,89,987	26.52%
(iii) Klondike Investments Ltd.	28,23,348	12.50%	28,23,348	12.50%	28,23,348	12.50%

(d) Shareholding of promotors:

Shares held by promotors at end of the year Promotor name	31 March 2024		31 March 2023		01 April 2022		% change during the year
	Number of shares held	% of total shares	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	53.99%	1,28,06,661	56.70%	1,28,06,661	56.70%	-2.71%
(ii) Mr. Prateek Verma (Whole-time Director)	59,42,730	26.31%	59,89,987	26.52%	59,89,987	26.52%	-0.21%

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

NOTE 17: OTHER EQUITY

Particulars	31 March 2024	31 March 2023	01 April 2022
(a) Securities premium			
Balance outstanding at the beginning of the year	613.01	613.01	613.01
Add: Additions during the year	-	-	-
Less: Utilised during the year	-	-	-
Balance outstanding at the end of the year	613.01	613.01	613.01
(b) Retained earnings			
Balance outstanding at the beginning of the year	(129.79)	(473.08)	(622.05)
Add/(Less): Transition effect on Restatement to Ind AS	-	-	(3.67)
Add: Net profit for the year	531.55	347.21	151.92
Add :Income on account of OCI	(7.85)	(3.72)	0.75
Less: Appropriations	-	0.20	0.03
Balance outstanding at the end of the year	393.91	(129.79)	(473.08)
Total (a+b)	**1,006.92**	**483.22**	**139.93**

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

NOTE 18: NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	31 March 2024	31 March 2023	01 April 2022
Secured			
Term Loans form banks	257.03	268.01	61.61
Less: Current maturities of long term borrowings	47.10	43.47	16.47
Total	**209.93**	**224.54**	**45.14**

i) Vehicle loans of INR 19.81 millions (31 March 2023 - INR 17.50 millions, 01 April 2022 - INR 12.57 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 2023 - INR Nil millions, 01 April 2022 - INR 0.59 millions) outstanding of Working Capital Demand loan (Total sanctioned limit of INR 8.40 millions) was taken from Bank of India at interest rate of 1 year MCLR+BSS 0.30%+CRP 5.00% with monthly rests 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 18 monthly installments commencing from November, 2020 and ending in April, 2022.

iii) INR 1.52 millions (31 March 2023 - INR 6.49 millions, 01 April 2022 - INR 11.10 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 is repayable in 36 monthly installements commencing from July,2021 and ending in June,2024.

iv) INR 1.94 millions (31 March 2023 - INR 9.71 millions, 01 April 2022 - INR 17.48 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 is repayable in 36 months installments commencing from July,2021 and ending in June,2024.

v) INR Nil millions (31 March 2023 - INR Nil millions, 01 April 2022 - INR 0.67 millions) outstanding of Working Capital Demand Loan (Toal sanctioned limit of INR 12.0 millions) was taken from Canara Bank at interest rate of 1 year MCLR 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 Banok 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 was further secured by Personal Guarantee of Mr. Vivek Verma and Mr Prateek Verma . The loan was repayable in 18 months installments commencing from November,2020 and ending in April, 2022.

vi) INR 11.00 millions (31 March 2023 - INR 12.00 millions, 01 April 2022 - INR 12.00 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.

vii) INR 6.52 millions (31 March 2023 - INR 7.20 millions, 01 April 2022 - INR 7.20 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.

viii) INR 159.10 millions (31 March 2023 - INR 177.58 millions, 01 April 2022 - INR Nil 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.

ix) INR 23.96 millions (31 March 2023 - INR 7.52 millions, 01 April 2022 - INR Nil millions) outstanding of Term loan for purchase of Plant & Machinaries (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 primarly secured by 1st pari-passu charge by way of hypothecation of Machinery purhased 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.

x) INR 35.30 millions (31 March 2023 - INR 32.80 millions, 01 April 2022 - INR Nil millions) outstanding of Term loan for purchase of Plant & Machinaries (Total sanctioned limit of INR 46.30 millions) taken from Canara Bank at interest rate of RLLR + 2.50% +0.80% primarly 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.

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

NOTE 19: NON-CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES

Particulars	31 March 2024	31 March 2023	01 April 2022
Long term maturities of lease liabilties	22.32	11.15	83.83
Less: Current maturities of lease liabilities	4.28	5.21	5.99
Total	**18.04**	**5.94**	**77.84**

NOTE 20: NON-CURRENT FINANCIAL LIABILITIES - PROVISIONS

Particulars	31 March 2024	31 March 2023	01 April 2022
Provision for employee benefits			
Gratuity (refer note 40)	39.10	30.86	24.06
Leave encashment (refer note 40)	13.17	14.39	8.96
Total	**52.27**	**45.25**	**33.02**

NOTE 21: CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	31 March 2024	31 March 2023	01 April 2022
Loans repayable on demand			
Secured			
From banks			
Cash credit accounts	397.00	318.80	131.13
From others			
Cash credit accounts	98.50	-	-
Current Maturities			
Current maturities of long-term borrowings	47.10	43.47	16.47
Current maturities of lease liabilties	4.28	5.21	5.99
Unsecured			
Loans from NBFCs	-	1.24	1.16
Non interest bearing loan from related parties	-	-	-
Total	**546.88**	**368.72**	**154.75**

Notes:

i) Cash credit limits from banks are 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) Cash credit limit from Bajaj finance limited is primary secured by first pari passu charge with Canara Bank and Bank of India on current assets and unencumbered plant and machinery of the company & collaterally secured by first pari passu charge with Canara Bank and Bank of India 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 ,4 Flats located at Baddi ,HP standing in the name of the Company and Plot no.8,myst aerotown,Dyalpura,Zirakpur,SAS Nagar,Punjab (area 500 sq yards) standing in the name of Mr. Vivek Verma.

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

iv) Unsecured loans from NBFC are repayable on demand which is carrying simple rate of interest @9.00% p.a.

NOTE 22: CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	31 March 2024	31 March 2023	01 April 2022
Total outstanding dues of micro enterprises and small enterprises	52.17	38.32	25.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	507.86	374.44	314.74
	560.03	**412.76**	**339.76**

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 group, on the basis of information and records available with the group. 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 ofinformation, 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 2024	31 March 2023	01 April 2022
(a) the principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year;			
- principal	52.17	38.32	25.02
- interest	-	1.27	0.53
(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)	-	1.27	0.53
(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.	-	-	-

(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 2024	51.31	0.56	0.23	0.06	**52.16**
31 March 2023	37.68	0.06	-	0.58	**38.32**
01 April 2022	23.21	0.07	0.26	1.49	**25.03**
Outstanding dues of creditors other than micro and small enterprises					
31 March 2024	397.68	60.74	24.21	17.78	**500.41**
31 March 2023	289.37	9.29	2.02	65.81	**366.49**
01 April 2022	193.76	21.40	3.10	89.01	**307.27**
Disputed dues of micro and small enterprises					
31 March 2024	-	-	-	-	-
31 March 2023	-	-	-	-	-
01 April 2022	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises					
31 March 2024	-	-	-	7.46	**7.46**
31 March 2023	-	-	-	7.95	**7.95**
01 April 2022	-	-	-	7.46	**7.46**
Total Trade Payables					
31 March 2024	**448.99**	**61.30**	**24.44**	**25.30**	**560.03**
31 March 2023	**327.05**	**9.35**	**2.02**	**74.34**	**412.76**
01 April 2022	**216.97**	**21.47**	**3.36**	**97.96**	**339.76**

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

NOTE 23: OTHER CURRENT LIABILITIES

Particulars	31 March 2024	31 March 2023	01 April 2022
Income received in advance	163.32	677.73	802.62
Statutory dues payable	9.99	15.42	5.45
Other liabilities & payables	45.49	117.41	78.43
	218.80	**810.56**	**886.50**

NOTE 24: CURRENT FINANCIAL LIABILITIES - PROVISIONS

Particulars	31 March 2024	31 March 2023	01 April 2022
Provision for employee benefits			
Gratuity (refer note 40)	7.05	3.70	2.61
Leave encashment (refer note 40)	3.39	2.01	1.05
	10.44	**5.71**	**3.66**
Others			
Provision for warranty (refer note 44)	6.33	7.55	4.97
Provision for performance (refer note 44)	10.81	8.32	8.64
	17.14	**15.87**	**13.61**
Total	**27.58**	**21.58**	**17.27**

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

NOTE 25: REVENUE FROM OPERATIONS

Particulars	31 March 2024	31 March 2023
Sale of products	5,165.66	3,691.41
Erection,commissioning and related services	235.51	151.94
Other operating revenues (refer note 25.1)	72.28	82.83
Total	**5,473.45**	**3,926.18**

Note 25.1: Other operating revenues

Particulars	31 March 2024	31 March 2023
Export Incentives	24.07	11.43
Sale of Scrap	48.21	71.40
Total	**72.28**	**82.83**

NOTE 26: OTHER INCOME

Particulars	31 March 2024	31 March 2023
(a) Interest income	7.08	5.44
(b) Other non-operating income:		
Gain on fair valuation of investments	0.99	0.09
Balances written back (Net)	0.00	7.53
Provisions written back	1.27	1.11
Gain on disposal of property,plant & equipment	-	-
Gain on derecognition of Financial liability	-	6.73
Miscellaneous Income	-	0.28
Total	**9.34**	**21.18**

NOTE 27: COST OF MATERIAL CONSUMED

Particulars	31 March 2024	31 March 2023
Inventory at the beginning of the year	441.79	405.81
Add: Purchases	3,450.04	2,581.59
Less: Inventory at the end of the year	486.01	441.79
Raw material and components consumed	**3,405.82**	**2,545.61**

NOTE 28: PURCHASE OF STOCK-IN-TRADE

Particulars	31 March 2024	31 March 2023
Purchases of stock-in-trade	-	-
Total	-	-

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

Particulars	31 March 2024	31 March 2023
Closing Stock:		
Work-in-progress	138.97	219.12
Finished goods	112.80	94.65
Total	**251.77**	**313.77**
Opening Stock:		
Work-in-progress	219.12	178.11
Finished goods	94.65	59.87
Total	**313.77**	**237.98**
(Increase)/Decrease in inventories	**62.00**	**(75.79)**

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

NOTE 30: EMPLOYEE BENEFITS EXPENSE

Particulars	31 March 2024	31 March 2023
Salaries, wages and bonus	408.18	337.86
Directors remuneration	10.22	9.69
Contribution to provident and other funds	17.22	13.77
Gratuity and EL expenses (refer note 40)	14.45	13.62
Staff welfare expenses	15.54	17.11
Total	**465.61**	**392.05**

NOTE 31: FINANCE COSTS

Particulars	31 March 2024	31 March 2023
Interest expense		
- on Term Loans	28.34	11.96
- on Working Capital Facilities	38.24	23.64
- on Lease Liabilities	1.50	4.06
Other borrowing costs	30.83	41.05
Total	**98.91**	**80.71**

NOTE 32: DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	31 March 2024	31 March 2023
Depreciation of Property, Plant & equipment	38.44	25.24
Depreciation/amortization of right-of-use assets	5.36	9.89
Amortization of intangible assets	5.50	3.39
Total	**49.30**	**38.52**

NOTE 33: OTHER EXPENSE

Particulars		31 March 2024		31 March 2023
Consumption of Stores & spares		16.47		19.85
Power and Electricity Charges		32.02		16.11
Project Site Expenses		156.44		88.57
Repair & Maintenances:				
-Plant & Machinery		9.49		18.11
-Building		16.50		6.09
Freight, Cartage and Octroi (Net)		109.90		51.69
CSR Expenses (refer note 36)		4.34		-
Selling Expenses		86.69		58.84
Travel & Conveyance		39.00		31.24
Rent		10.08		11.22
Rates and Taxes		3.51		8.87
Insurance		3.85		4.40
Payment to auditors				
- Statutory audit fees		1.08		0.78
Warranty Expenses		17.72		-
Advances to Subsidiary written off	-		69.14	
Less:- Reversal of Provision created on the same	-	-	(69.14)	-
Vehicle and other maintenances		28.19		20.22
Advertisement, Publicity and Sales Promotion		10.01		5.65
Communication Cost		3.61		3.36
Legal & Professional Charges		39.03		24.40
Bad debts written off	30.18		183.18	
Less:- Reversal of Provision created on the same	-	30.18	(96.65)	86.53
Balances written off		-		-
Other Miscellaneous Expenses		18.39		16.02
Website and Software Expenses		18.64		14.65
Loss on disposal of property,plant & equipment		-		0.02
Gain/Loss on Foreign Exchange Fluctuations (Net)		2.66		10.29
Total		**657.80**		**496.91**

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

NOTE 34: EARNINGS PER SHARE

Particulars	31 March 2024	31 March 2023
i) Net profit available to equity shareholders	523.70	343.49
ii) Weighted average number of equity shares outstanding during the year for the purpose of calculation of earning per share	2,25,86,781	2,25,86,781
iii) Nominal value of equity share (in ₹)	10.00	10.00
iv) Basic earning per share(in ₹)	23.19	15.21
v) Diluted earning per share(in ₹)	23.19	15.21

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

35. Capital commitments and contingent Liabilities

Particulars	31 March 2024	31 March 2023	01 April 2022
Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	41.57	67.70
Contingent Liabilities			
Guarantees given by banks on behalf of the company	261.80	151.34	0.28
Claims against Company not acknowledged as debts	-	-	-
Disputed demands in appeal towards:			
- Income Tax	23.16	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 4.34 million during the financial year ended as on 31 March 2024.These provisions were also applicable to the company for the financial year ended as on 31 March 2023. However, in terms of Section 135 read with Section 198 of the Companies Act,2013 the company was not required to spent on CSR activities during the financial year ended as on 31 March 2023.

Detail of the CSR expenditure incurred is as follows: -

Amount spent on	31 March 2024	31 March 2023	01 April 2022
Construction/acquisition of any asset	-	-	-
On the purposes covered under schedule VII to Companies Act,2013	4.34	-	-

Disclosure related to Corporate social responsibility: -

Particulars	31 March 2024	31 March 2023	01 April 2022
i) Amount required to be spent by the company during the year	4.34	-	-
ii) Amount of expenditure incurred	4.34	-	-
iii) Shortfall at the end of the year	-	-	-
iv) Total of previous years shortfall	-	-	-
v) Reason for shortfall	-	-	-

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

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 2024	Amount spent in the current financial year	Mode of Implementation - Direct (Yes/No)
Food for everyone in Delhi-NCR	Eradicating hunger, poverty and malnutrition	No	Delhi	-	4.34	4.34	No-Through NGO Manav Kalyan Foundation

vii) Details of related party transactions:

a) Contribution during the year ended 31 March 2024 – Nil,31 March 2023- Nil

b) Payable as at 31 March 2024 – Nil, 31 March 2023- Nil, 01 April 2022-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 2024	31 March 2023
Within India	4470.93	3296.38
Outside India	1002.52	629.80
Total	**5473.45**	**3926.18**

II) Trade Receivables by geographical market

Particulars	31 March 2024	31 March 2023	01 April 2022
Within India	864.05	594.40	416.41
Outside India	3.99	6.42	12.61
Total	**868.04**	**600.82**	**429.02**

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

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 2024	**31 March 2023**	**01 April 2022**
IPRO Sugar Engineering Pvt. Ltd.	India	Cost	49.99%	49.99%	49.99%

b) Other related parties

SEDL Trust
Spray Engineering Devices Limited-Employees Group Gratuity Trust (w.e.f. 14 November 2022)

c) Key management personnel & their close members of family

Managing Director	Vivek Verma
Whole-time Director	Prateek Verma
Nominee Director	Sridhar Venkatesh
Independent Director	Ashok Kumar (w.e.f. 16 September 2022)
Independent Director	Tara Chand Meenia (w.e.f. 20 October 2021)
Chief Financial Officer	Manoj Gupta
Chief Compliance Officer & Company Secretary	Rinkal Goyal
Close members of family of Key management personnel	Vimarsh Verma

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

Particulars	**31 March 2024**	**31 March 2023**
Vivek Verma		
Remuneration	5.87	5.28
Rent Paid	0.48	0.40
Prateek Verma		
Remuneration	4.35	4.40
Ashok Kumar		
Sitting Fee	0.05	-
Tara Chand Meenia		
Sitting Fee	0.06	0.07
Manoj Gupta		
Remuneration	3.93	3.15
Rinkal Goyal		
Remuneration	1.35	1.11
Vimarsh Verma		

Remuneration	1.95	1.76

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

Particulars	31 March 2024	31 March 2023	01 April 2022
Vivek Verma			
Remuneration Payable	0.24	0.37	0.24
Prateek Verma			
Remuneration Payable	0.31	0.26	0.26
Manoj Gupta			
Remuneration Payable	0.07	0.17	0.17
Rinkal Goyal			
Remuneration Payable	0.12	0.09	0.06
Vimarsh Verma			
Remuneration Payable	0.12	0.10	0.08

Note:
Transactions with related parties are at arm's length price and the balances 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 premises and plant & machinery.

The disclosure relating to leases are as summarized below:

Particulars	31 March 2024	31 March 2023
Depreciation for right-of-use assets	5.36	9.89
Interest expense on lease liabilities	1.50	4.06
Expenses relating to short-term/low value leases	10.08	11.22
Total cash outflow for leases	8.59	11.64

Change in lease liabilities arising from financing activities:

Particulars	31 March 2024	31 March 2023	01 April 2022
Opening lease liability	11.15	83.83	-
Addition to lease liabilities	18.26	15.29	93.39

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

Derecognition of lease liability	-	80.39	-
Lease payments	7.09	7.58	9.56
Closing lease liability	22.32	11.15	83.83
Non-current	18.04	5.94	77.84
Current	4.28	5.21	5.99
Maturity analysis of lease liabilities:			
-less than 1 year	4.28	5.21	5.99
-between 1 to 3 years	9.73	2.74	15.29
-more than 3 years	8.31	3.20	62.55

40. Employee benefits

(a) Defined contribution plans

The Company has recognized INR 17.22 (31 March 2023: INR 13.77) towards post-employment defined contribution plans comprising provident fund and Employee state insurance scheme in the statement of profit and loss.
The amount recognized as an expense towards contribution to Provident Fund and ESI are as follows:

Particulars	31 March 2024	31 March 2023
Provident Fund	16.12	12.63
ESI Contribution	1.10	1.14

(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: -

Change in present value of obligations:

Particulars	31 March 2024	31 March 2023	01 April 2022
Present value of obligation at the beginning of the year	35.32	26.67	22.62
Interest cost	2.55	2.00	1.62
Current service cost	5.92	4.62	3.40
Benefits Paid	(2.27)	(0.87)	(0.22)

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

Actuarial (Gain)/Loss	6.10	2.90	(0.75)
Present value of obligation at the end of the year	47.62	35.32	26.67

Change in the fair value of plan assets:

Particulars	**31 March 2024**	**31 March 2023**	**01 April 2022**
Fair value of plan assets at the beginning of the year	0.76	-	-
Expected Interest income	0.06	-	-
Contribution paid by employer	1.00	0.74	-
Benefits paid	0.37	-	-
Actuarial gain/(loss) on plan assets	-	-	-
Return on plan assets excluding interest income	0.02	0.02	-
Fair value of plan assets at the end of the year	1.47	0.76	-

Amount recognized in Balance sheet:

Particulars	**31 March 2024**	**31 March 2023**	**01 April 2022**
Present value of obligation at the end of the year	47.62	35.32	26.67
Fair value of plan assets at the end of the year	1.47	0.76	-
Amount recognized in balance sheet	46.15	34.56	26.67
- Current	7.05	3.70	2.61
- Non-current	39.10	30.86	24.06

Expenses recognized in the statement of profit and loss:

Particulars	**31 March 2024**	**31 March 2023**
Current service cost	5.92	4.62
Net interest cost	2.50	2.00
Actuarial (gain)/loss	-	-
Employer's direct benefit payment cost	-	(0.87)
Total expense recognized in the profit & loss	8.42	5.75

Amounts recognized in other comprehensive income:

Particulars	**31 March 2024**	**31 March 2023**
Actuarial (Gain)/Loss on Obligations	6.10	2.90
Return on plan assets other than amounts included in net interest cost	(0.02)	(0.02)
Net (income)/expense for the period recognized in other comprehensive income	6.08	2.88

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

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

Particulars	31 March 2024	31 March 2023	01 April 2022
Discount rate	7.24%	7.50%	7.15%
Expected rate of increase in compensation levels*	7.00%	7.00%	7.00%
Expected rate of return on plan assets	7.24%	7.50%	-
Attrition	10.00%	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 2024	31 March 2023	01 April 2022
Present value of obligation at the beginning of the year	16.40	10.01	6.60
Interest cost	1.19	0.75	0.47
Current service cost	6.77	5.04	3.47
Benefits Paid	(5.73)	(0.26)	(0.05)
Actuarial (Gain)/Loss	(2.07)	0.86	(0.48)
Present value of obligation at the end of the year	16.56	16.40	10.01

Change in the fair value of plan assets:

Particulars	31 March 2024	31 March 2023	01 April 2022
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 2024**	**31 March 2023**	**01 April 2022**
Present value of obligation at the end of the year	16.56	16.40	10.01
Fair value of plan assets at the end of the year	-	-	-
Amount recognized in balance sheet	16.56	16.40	10.01
- Current	3.39	2.01	1.05
- Non-current	13.17	14.39	8.96

Expenses recognized in the statement of profit and loss:

Particulars	**31 March 2024**	**31 March 2023**
Current service cost	6.77	5.04
Net interest cost	1.19	0.75
Actuarial (gain)/loss	(2.07)	0.86
Employer's direct benefit payment cost	-	-
Total expense recognized in the profit & loss	5.89	6.65

Amounts recognized in other comprehensive income:

Particulars	**31 March 2024**	**31 March 2023**
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 2024**	**31 March 2023**	**01 April 2022**
Discount rate	7.24%	7.50%	7.15%
Expected rate of increase in compensation levels*	7.00%	7.00%	7.00%
Attrition	10.00%	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.

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

41. Fair Value measurements

Financial instruments by category

Particulars	Amortized cost			FVTPL		
	31 March 2024	**31 March 2023**	**01 April 2022**	**31 March 2024**	**31 March 2023**	**01 April 2022**
Financial assets						
Investments in mutual fund	-	-	-	4.10	2.10	-
Other investments	0.25	0.25	0.25	-	-	-
Trade Receivables	868.04	600.82	429.02	-	-	-
Others	5.53	28.11	33.00	-	-	-
Cash & Cash Equivalents	4.10	14.07	16.60	-	-	-
Bank Balance	112.28	105.35	62.20	-	-	-
Total Financial assets	**990.20**	**748.60**	**541.07**	**4.10**	**2.10**	**0.00**
Financial liabilities						
Borrowings	752.53	588.05	193.90	-	-	-
Trade Payable	560.03	412.76	339.76	-	-	-
Lease Liability	22.32	11.15	83.83	-	-	-
Total Financial liabilities	**1334.88**	**1011.96**	**617.49**	-	-	-

(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 Level1 to Level 3 as described below: -

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

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

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 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	3.65	-	3.65	-
Total	**3.65**	**-**	**3.65**	**-**
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**	**-**

Particulars	**Fair value measurements using**			
	Carrying value 31 March 2023	**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	2.10	2.10	-	-
Total	**2.10**	**2.10**	**-**	**-**
Financial liabilities:				
-	-	-	-	-
Total	**-**	**-**	**-**	**-**
Financial Assets & liabilities at amortised cost				
Financial Assets:				
Security Deposit	1.25	-	1.25	-
Total	**1.25**	**-**	**1.25**	**-**
Financial liabilities:				
Long-term borrowings	268.01	-	268.01	-
Lease liabilities	11.15	-	11.15	-
Short-term borrowings	320.04	-	320.04	-
Total	**599.20**	**-**	**599.20**	**-**

Particulars	**Fair value measurements using**			
	Carrying value 01 April 2022	**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	-	-	-	-
Total	**-**	**-**	**-**	**-**
Financial liabilities:				
-	-	-	-	-
Total	**-**	**-**	**-**	**-**
Financial Assets & liabilities at amortised cost				
Financial Assets:				
Security Deposit	-	-	-	-
Total	**-**	**-**	**-**	**-**
Financial				

liabilities:				
Long-term borrowings	61.61	-	61.61	-
Lease liabilities	83.83	-	83.83	-
Short-term borrowings	132.28	-	132.28	-
Total	**277.72**	**-**	**277.72**	**-**

(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.

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

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:

(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:

31 March 2024	**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%**
31 March 2023	**0-1 Years**	**1-5 Years**	**More than 5 Years**	**Total**
Interest bearing borrowings:				
Working Capital Limits	318.80	-	-	318.80
Term Loan	45.95	140.35	85.73	272.03

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

Lease Liability including Finance Charge	5.74	6.91	-	12.65
Non-Interest bearing borrowings:				
Trade and Other payable	412.76	-	-	412.76
% to Total	**77.07%**	**14.49%**	**8.44%**	**100.00%**
01 April 2022	**0-1 Years**	**1-5 Years**	**More than 5 Years**	**Total**
Interest bearing borrowings:				
Working Capital Limits	131.13	-	-	131.13
Term Loan	17.53	45.24	-	62.77
Lease Liability including Finance Charge	16.00	53.40	47.61	117.01
Non-Interest bearing borrowings:				
Trade and Other payable	339.76	-	-	339.76
% to Total	**77.52%**	**15.16%**	**7.32%**	**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 2024	Trade receivables	USD	48493	3.99
	Trade Payables	USD	654913	55.01
		EURO	12349	1.14
31 March 2023	Trade receivables	USD	78311	6.42
	Trade Payables	USD	715136	59.86
		EURO	9375	0.84
01 April 2022	Trade receivables	USD	167726	12.61
	Trade Payables	USD	-	-

		EURO	-	-

(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 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 it’s 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 2024**	**31 March 2023**	**01 April 2022**
Total Borrowings	752.53	588.05	193.90
Less: Cash and Cash equivalents	4.10	14.07	16.60
Net Debt (A)	**756.63**	**602.12**	**210.50**
Equity share capital	225.87	225.87	225.87
Other equity	1006.92	483.22	139.93
Total Equity (B)	**1232.79**	**709.09**	**365.80**
Total Equity and net debt (C=A+B)	**1989.42**	**1311.21**	**576.30**
Gearing ratio (Times) (A/C)	**0.38**	**0.46**	**0.37**

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.

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

Movement in provision for warranty:

Particulars	31 March 2024	31 March 2023	01 April 2022
Balance at the beginning of the year	7.55	4.97	3.26
Additional provision made during the year	17.72	4.41	5.10
Amount used during the year	18.94	1.83	3.39
Balance at the end of the year	6.33	7.55	4.97

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 2024	31 March 2023	01 April 2022
Balance at the beginning of the year	8.32	8.64	4.48
Additional provision made during the year	53.17	-	8.65
Amount used during the year	50.68	0.32	4.49
Balance at the end of the year	10.81	8.32	8.64

45. Other Regulatory information

(i) The Group neither have any Benami property, nor any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami transactions (Prohibitions) Act,1988.

(ii) The Group has not entered into any transactions with companies struck off under section 248 of the Companies Act,2013.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with Registrar Of Companies (ROC)beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group 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 Group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(vi) The Group 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 Group 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 Group.

(ix) The Group 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 Group 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 Group 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 Group has borrowings from banks, secured by hypothecation of inventories and by a charge on book debts and other assets of the Group, and quarterly returns or statements of current assets filed by the Group with banks are in agreement with the books of accounts without any material discrepancies.

(xv) The Group is not declared wilful defaulter by any bank or financial institution or other lender.

(xvi) The Group 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 Group has used the borrowings from bank for specific purpose for which it was taken at the balance sheet date.

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

46. Additional information pursuant to General instructions for the preparation of Consolidated financial statements as per Schedule III of the Companies Act,2013

31 March 2024

Name of the Entity	Net assets (Total assets minus Total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Spray Engineering devices Limited	100.94%	1244.45	99.72%	530.06	100.00%	(7.85)	99.72%	522.21
Subsidiaries								
SED Engineers & Fabricators Pvt. Ltd.	-6.87%	(84.75)	0.13%	0.69	-	-	0.13%	0.69
Sustainable Environment Developers Ltd.	0.36%	4.47	0.15%	0.80	-	-	0.15%	0.80
Consolidation adjustments	5.57%	68.62	-	-	-	-	-	-
Total	**100.00%**	**1232.79**	**100.00%**	**531.55**	**100.00%**	**(7.85)**	**100.00%**	**523.70**

31 March 2023

Name of the Entity	Net assets (Total assets minus		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Spray Engineering devices Limited	101.85%	722.24	98.93%	343.48	100.00%	(3.72)	98.91%	339.76
Subsidiaries								
SED Engineers & Fabricators Pvt. Ltd.	-12.05%	(85.45)	0.59%	2.05	-	-	0.60%	2.05
Sustainable Environment Developers Ltd.	0.52%	3.66	0.48%	1.68	-	-	0.49%	1.68
Consolidation adjustments	9.68%	68.64	-	-	-	-	-	-
Total	**100.00%**	**709.09**	**100.00%**	**347.21**	**100.00%**	**(3.72)**	**100.00%**	**343.49**

01 April 2022

Name of the Entity	Net assets (Total assets minus		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Spray Engineering devices Limited	104.56%	382.48	98.16%	149.12	100.00%	0.75	98.16%	149.87
Subsidiaries								
SED Engineers & Fabricators Pvt. Ltd.	-23.86%	(87.30)	1.00%	1.52	-	-	1.00%	1.52
Sustainable Environment Developers Ltd.	0.54%	1.98	0.84%	1.28	-	-	0.84%	1.28
Consolidation adjustments	18.76%	68.64	-	-	-	-	-	-
Total	**100.00%**	**365.80**	**100.00%**	**151.92**	**100.00%**	**0.75**	**100.00%**	**152.67**

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

47. Ratio Analysis

a) Current Ratio = Current Assets divided by the Current Liabilities

Particulars	31 March 2024	31 March 2023	Variance in ratio (in %)
Current Assets	2045.57	1878.79	
Current Liabilities	1477.76	1656.97	
Ratio (in times)	**1.38**	**1.13**	**22.12%**

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 2024	31 March 2023	Variance in ratio (in %)
Current borrowings	542.60	363.51	
Non-current borrowings	209.93	224.54	
Total Debt	752.53	588.05	
Total Equity	1232.79	709.09	
Ratio (in times)	**0.61**	**0.83**	**-26.51%**

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 2024	31 March 2023	Variance in ratio (in %)
Profit after tax	531.55	347.21	
Add: Non-cash operating expenses and Interest expenses			
Depreciation and amortization expense	49.30	38.52	
Interest on term loans	28.34	11.96	
Earnings available for debt service	609.19	397.69	
Interest on term loans	28.34	11.96	
Principal repayments	18.60	24.30	
Total Interest and principal repayments	46.94	36.26	
Ratio (in times)	**12.98**	**10.97**	**18.32%**

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

Particulars	31 March 2024	31 March 2023	Variance in ratio (in %)
Profit after tax	531.55	347.21	
Total equity at the beginning of the year (A)	709.09	365.80	
Total equity at the end of the year (B)	1232.79	709.09	
Average Equity (C =(A+B)/2)	970.94	537.44	
Ratio (in %)	**54.75**	**64.60**	**-9.85%**

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

Particulars	31 March 2024	31 March 2023	Variance in ratio (in %)
Cost of goods sold	3467.82	2469.82	
Inventory at the beginning of the year(A)	778.93	662.26	
Inventory at the end of the year (B)	760.51	778.93	
Average Inventory (C =(A+B)/2)	769.72	720.59	
Ratio (in times)	**4.51**	**3.43**	**31.49%**

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

There is an increase in inventory turnover ratio due to substantial increase in sales of the company.

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

Particulars	31 March 2024	31 March 2023	Variance in ratio (in %)
Revenue from operations	5473.45	3926.20	
Trade receivables at the beginning of the year (A)	600.82	429.02	
Trade receivables at the end of the year (B)	868.04	600.82	
Average trade receivables (C =(A+B)/2)	734.43	514.92	
Ratio (in times)	**7.45**	**7.62**	**-2.23%**

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

Particulars	31 March 2024	31 March 2023	Variance in ratio (in %)
Purchase of Raw material (A)	3450.04	2581.59	
Other expenses* (B)	623.28	410.38	
Total of purchase and other expenses (C=A+B)	4073.32	2991.97	
Trade payables at the beginning of the year (D)	412.76	339.76	
Trade payables at the end of the year (E)	560.03	412.76	
Average trade payables (F =(D+E)/2)	486.39	376.26	
Ratio (in times)	**8.37**	**7.95**	**5.28%**

*Other expenses exclude CSR expenditure, loss on sale of property, plant & equipment and bad debts 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 2024	31 March 2023	Variance in ratio (in %)
Revenue from operations	5473.45	3926.20	
Current Assets (A)	2045.57	1878.79	
Current Liabilities (B)	1477.76	1656.97	
Working capital (C=A-B)	567.81	221.82	
Ratio (in times)	**9.64**	**17.70**	**-45.59%**

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 2024	31 March 2023	Variance in ratio (in %)
Profit after tax	531.55	347.21	
Revenue from operations	5473.45	3926.20	
Ratio (in %)	**9.71**	**8.84**	**0.87%**

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

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

Particulars	31 March 2024	31 March 2023	Variance in ratio (in %)
Profit before tax (A)	743.35	469.35	
Finance cost (B)	98.91	80.71	
Other income (C)	9.34	21.18	
EBIT(D=A+B-C)	**832.92**	**528.88**	
Total assets (E)	3021.83	2641.79	
Total Liabilities (F)	1789.03	1932.70	
Intangible assets (G)	14.72	7.59	
Tangible net worth (H=E-F-G)	**1218.08**	**701.50**	
Current borrowings (I)	542.60	363.51	
Non-current borrowings (J)	209.93	224.54	
Total Debts (K=I+J)	**752.53**	**588.05**	
Deferred tax liabilities (net) (L)	31.04	0.00	
Deferred tax assets (net) (M)	0.00	31.23	
Capital employed (N=H+K+L-M)	**2001.65**	**1258.32**	
Ratio (in %)	**41.61**	**42.03**	**-0.42%**

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

Particulars	31 March 2024	31 March 2023	Variance in ratio (in %)
Income generated from investments	-	-	
Investments	0.25	0.25	
Ratio (in %)	**-**	**-**	**-**

48. First time adoption

The Consolidated statement of assets and liabilities of the Group as at 31 March 2024 and the Consolidated statement of profit and loss, the Consolidated statement of changes in equity and the Consolidated statement of cash flows for the year ended 31 March 2024 and other financial information has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

For the purpose of Consolidated Financial Statements for the years ended 31 March 2023 and 31 March 2022, the Group has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. 01 April 2022. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS Restated Consolidated Financial Statements as of and for the years ended 31 March 2023 and 31 March 2022 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. 01 April 2022).

I. Exemptions applied

1. Mandatory exception:

a) Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Group has concluded that there is no necessity to revive the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:

- Determination of the discounted value for financial instruments carried are amortized cost
- Impairment of financial assets based on the expected credit loss model.

b) Classification and measurement of financial assets

IND AS 101 required an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition, Further, the of standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

2. Optional Exemptions

a) Deemed cost for property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial Statement as at the date of transition to Ind-AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date 1 April 2022. For the purpose of financial statements for the year ended 31 March 2024,31 March 2023 and 1 April 2022 the Company has provided the depreciation based on the estimated useful life of respective years.

b) Leases

The Group has adopted Ind AS 116 by applying exemption provided under Ind AS 101. Following approach is followed on transition date (1 April 2022) when applying Ind AS 116 initially.

(i) Lease liability is recognized, for leases which were previously classified as operating leases by measuring the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

(ii) A right of use assets is recognized at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Statement of assets and liabilities immediately before the date of initial application.

The Company also applied the available practical expedients wherein it:

a. Used a single discount rate to a portfolio of leases with reasonably similar characteristics.

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

b. Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
c. Excluded the initial direct costs from the measurement of the right of use asset at the date of initial application.

II. Reconciliation of total equity between previous GAAP and Ind AS

Particulars	Notes	31 March 2023	01 April 2022
Total equity reported earlier under previous GAAP		**705.97**	**372.01**
(i) Ind AS adjustments			
- Adjustment of opening balance of other equity		(6.21)	
- Prior Period errors	a	1.06	-
- Leases	b	(2.22)	(4.37)
- Financial assets measured at Fair Value		0.10	-
-Adjustment for Associate's share of accumulated reserves		-	(1.84)
-Adjustment for Associate's share of current year loss		0.02	-
- Gain on De-recognition of Financial Liability		6.73	-
- Adjustment for Effective interest rate adjustment on borrowing	c	2.78	-
- Tax adjustments	d	0.84	-
(ii) Restatement adjustments		0.02	-
Total equity as per Ind AS		**709.09**	**365.80**

III. Reconciliation of total comprehensive income between previous GAAP and Ind AS

Particulars	Notes	31 March 2023	01 April 2022
Profit for the year reported earlier under previous GAAP		**333.96**	**153.25**
(i) Ind AS adjustments			
- Prior Period Errors	a	1.26	3.69
- Leases	b	(2.22)	(4.37)
- Financial assets measured at Fair Value		0.10	-
- Gain on De-recognition of Financial Liability		6.73	-
- Adjustment for Effective interest rate adjustment on borrowing	c	2.78	-
-Adjustment for Associate's share of current year loss		0.02	0.10
- Remeasurement of defined benefit plan reclassified to OCI		2.88	(0.75)
Decrease in Deferred Tax Expenses due to Ind AS Adjustments	d	0.84	-
Tax Effect of OCI Items		0.84	-
(ii) Restatement adjustments	e	0.02	-

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

Profit for the year reported earlier under Ind AS		**347.21**	**151.92**
Other comprehensive income		(2.88)	0.75
- Tax adjustments		(0.84)	-
Total comprehensive Income as reported under Ind AS		**343.49**	**152.67**

IV. Notes to Reconciliation

(a) Prior period errors

The Company has certain expenses which were not accounted in the year when the expense / restatement was incurred. During the current year on transition to IND AS, the Company has rectified these errors by restating the balances to the respective year in which they were incurred. The summary of the adjustments has been summarized in the table below: -

The impact arising from the change is as follows:	**Increase/ (decrease)**	
Restated Statement of Profit and Loss	**31 March 2023**	**01 April 2022**
Interest Expense Capitalized as Borrowing cost	1.06	-
Security Premium	-	42.05
Equity share capital	-	1.48
Reserve & Surplus	-	(43.53)
Prior period errors	0.20	3.69
Adjustment before income tax - Profit / (loss)	**1.26**	**3.69**
	Increase/ (decrease)	
Restated Statement of Assets and Liabilities	**31 March 2023**	**01 April 2022**
Assets: Capital Work in Progress	1.06	-

(b) Leases

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incident to the ownership of an asset. Operating leases were expensed in the statement of profit and loss. Under Ind AS 116, all arrangement that fall under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the Group has recognized a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortized over the lease term on a straight-line basis and lease liability is measured at amortized cost at the present value of future lease payments.

The impact arising from the change is as follows:	**Increase/ (decrease)**	
Restated Statement of Profit and Loss	**31 March 2023**	**01 April 2022**
Rent expense	11.64	16.01
Capitalization of Interest & Charges Paid before Commencement of Lease	0.09	-
Interest expense on financial liabilities measured at amortized cost - on lease liabilities	(4.06)	(6.59)

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

Depreciation expense	(9.89)	(13.79)
Adjustment before income tax - Profit / (loss)	**(2.22)**	**(4.37)**

	Increase/ (decrease)	
Restated Statement of Assets and Liabilities	**31 March 2023**	**01 April 2022**
Assets: Right-of-use assets	11.94	79.46
Liabilities: Lease liabilities (Borrowings)	11.15	83.83

(c) Adjustment for Effective interest rate adjustment on borrowing

As per Ind AS 109, the Company has classified Term Loans as financial liabilities to be measured at amortized cost. The borrowings have been restated as at the date of transition using effective interest method i.e., (Transaction value Less unamortized portion of transaction cost) and subsequently measured at amortized cost.

(d) Deferred Taxes

Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in relation to the underlying transaction either in retained earnings or through other comprehensive income.

The impact arising from the change is as follows:	**Increase/ (decrease)**	
Restated statement of Proft & Loss	**31 March 2023**	**01 April 2022**
Tax adjustments on Ind AS adjustments		
Deferred tax impact on lease	0.22	-
Deferred tax impact on financial assets measured at amortized cost	(1.87)	-
Deferred tax impact on financial liability measured at amortized cost	0.81	-
Adjustment before income tax - Profit / (loss)	**0.84**	**-**
	Increase/ (decrease)	
Restated Statement of Assets and Liabilities	**31 March 2023**	**01 April 2022**
Liability: Deferred tax Liability(net)	0.84	

(e) Remeasurements of the defined benefit plans reclassified to OCI

Under Previous GAAP, the Company recognized remeasurement of defined benefit plans under Statement of Profit and Loss. Under Ind AS, remeasurement of defined benefit plans are recognized immediately in the financial statements with a corresponding debit or credit to retained earnings through OCI.

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

Paras Gupta
Partner
Membership No.:546125
UDIN: 24546125BKBUQT6176

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

Sd/-
Vivek Verma
Managing Director
DIN : 00032970

Sd/-
Prateek Verma
Whole-time Director
DIN : 00024740

Sd/-
Manoj Gupta
Chief Financial Officier

Sd/-
Rinkal Goyal
Company Secretary
Membership No. F11321

Place: Mohali
Date : 26 August 2024