



Spray Engineering Devices Limited

CIN: U00000CH2004PLC027625

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

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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, 2025 (“FY 2024-25”).

FINANCIAL PERFORMANCE

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

(in ₹ Millions)

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

PERFORMANCE, AIM AND OUTLOOK

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

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

OPERATIONS

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

DEPOSITS

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

DIVIDENDS

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

TRANSFER TO GENERAL RESERVES

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

SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

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

1. M/s IPRO Sugar Engineering Private Limited

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

ANNUAL RETURN

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

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

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

1. Conservation of Energy:

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

2. Technology Absorption:

Efforts made for technology absorption:
Our technology saves energy in form of Steam, Water, Electricity & Solar, Ethanol, Jaggery
Benefits derived:
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
N.A.
Year of import
N.A.
Whether imported technology fully absorbed
N.A.

3. Foreign Exchange Earnings/ Outgo:

(Rupees in Million)

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

RISK MANAGEMENT

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

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

PARTICULARS OF LOANS, GUARANTEES GIVEN OR INVESTMENTS MADE

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

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

1) Outstanding Loans:

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

(Rupees in Million)

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

2) Investments:

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

(Rupees in Million)

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

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

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

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

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

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

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

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

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

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

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

Key Managerial Personnel

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

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

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

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

DECLARATION BY INDEPENDENT DIRECTORS

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

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

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

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

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

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

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

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

AUDIT COMMITTEE

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

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

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

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

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

VIGIL MECHANISM

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

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

INTERNAL FINANCIAL CONTROLS

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

NOMINATION AND REMUNERATION COMMITTEE

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

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

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

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

ANNUAL PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

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

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

STATUTORY AUDITORS AND THEIR REPORT

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

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

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

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

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

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

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

COST AUDITORS AND COST AUDIT REPORT

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

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

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

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

PARTICULARS OF EMPLOYEES

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

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

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

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

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

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

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

PROCEEDINGS PENDING UNDER IBC, 2016

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

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

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

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

ACKNOWLEDGEMENTS

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

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

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

**Place: Chandigarh
Date: 07.10.2025**

Form AOC-1

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

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

Part "A": Subsidiaries

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

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

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

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

Part “B”: Associates and Joint Ventures

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

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

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

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

**Place: Chandigarh
Date: 07.10.2025**

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

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

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

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

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

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

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

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

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). ₹ 90,50,000/-

(b) Amount spent in Administrative Overheads. 0

(c) Amount spent on Impact Assessment, if applicable. 0

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. ₹ 90,50,000/-

(e) CSR amount spent or unspent for the Financial Year:

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

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

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

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

☐

Yes

☒

No

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

N.A.

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

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

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

Place: Chandigarh
Date: 07.10.2025

FORM NO. AOC -2

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

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

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

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

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

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

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

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

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

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

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

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

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

Place: Chandigarh
Date: 07.10.2025

SALIENT FEATURES OF NOMINATION AND REMUNERATION POLICY

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

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

Key terms of the policy include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I further report that during the audit period:

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

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

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

Place : Chandigarh

Date :

UDIN:

For **A. ARORA & COMPANY**

AJAY K. ARORA

(Proprietor)

FCS No. 2191

C P No.: 993

Peer review Cert No. 2120/2022