

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHERN ENERGY DEVELOPMENT CORPORATION LIMITED FOR THE FINANCIAL YEAR 2022-23**

**Opinion**

We have audited the accompanying Standalone Financial Statements of M/s. Southern Energy Development Corporation Limited ("The Company") as at 31<sup>st</sup> March 2023 and the Statement of Profit and Loss (including Other Comprehensive Income), and the Statement of Changes in Equity, and the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information for the year ended on that date.

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 Act in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2023, its loss and its cash flows for the year ended on that date.

**Basis for opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There were no key audit matters that required our significant attention.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, and cash flows of the Company in accordance with the

accounting principles generally accepted in India, including the accounting Standards 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance 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.

### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order 2020, ("the Order) issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, we give in the Annexure-1 a Statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, 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, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - (f) The company has in place adequate internal financial control systems over financial reporting, and the controls were operatively effectively. Refer separate report in Annexure 2.



(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, no remuneration was paid by the Company to its Directors.

(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, 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 financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were 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 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(s) or entity(ies), including foreign entities ("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 have been received by the Company from any person(s) or entity(ies), including foreign entities ("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 such audit procedures that we 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 (a) and (b) contain any material misstatement.
- v. No dividend has been declared and paid during the year by the Company.

UDIN - 23206383BGPZJO2340

For Jagannathan & Sarabeswaran  
Chartered Accountants  
FRN 001204S



Vivek Sarabeswaran  
Partner  
(M.No.206383)

Place: Chennai  
Date: 13.04.2023



## Annexure - 1

### Annexure to the Independent Auditors' report referred to in Report on other legal and regulatory requirements for the year ended 31<sup>st</sup> March, 2023 on Companies (Auditor's Report) Order, 2020

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) the company is maintaining proper records showing full particulars of intangible assets;
- (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals; No discrepancies were noticed on such verification;
- (c) The title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations provided to us there are no proceedings that have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management and the coverage and procedure of such verification by the management is reasonable. According to the information and explanations given to us, no discrepancies were noticed on such verification.  
(b) The company has not been sanctioned any working capital limits during the year and this clause is not applicable to the company.
- (iii) The company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 and 186 of the Companies Act, 2013.
- (v) During the year the company has not accepted deposits from public.
- (vi) Maintenance of cost records specified by the Central Government under sub-section (1) of Section 148 of the Companies Act is not applicable to the company.
- (vii) (a) The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and there are no



outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) The disputed statutory dues not provided for and disclosed under contingent liabilities are included in Note 22 of the financial statements.

(viii) There are no transactions recorded in the books of account 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) Clauses (a) to (f) are not applicable as the company had no borrowings during the year.

(x) (a) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(b) the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi) (a) According to the information and explanations provided to us, no fraud on or by 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 by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) The clause on whistle-blower complaints received during the year is not applicable to the company;

xii) As the company is not a Nidhi Company, clauses (a) to (c) are not applicable to this company.

xiii) Section 177 of the Companies Act, 2013 is not applicable to this company. All transactions with the related parties are in compliance with Section 188 of the Companies Act where applicable and the details have been disclosed in the financial statements, etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.

(b) This clause is not applicable.

(xv) Based on the information and explanations provided to us the company has not entered into any non-cash transactions with Directors or persons connected with him;

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934);

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities;

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;

(d) We were informed that the Group has no Core Investment Company;



(xvii) The company has incurred cash losses in the financial year but generated a cash surplus in the immediately preceding financial year. The cash losses (Net profit after tax adjusted for deferred tax, depreciation and amortization) in the financial year is Rs.418 lakhs.

(xviii) There has been no resignation of the Statutory Auditors during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is 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.


(xx) (a) The company has no unspent amount in respect of other than ongoing projects that requires to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;  
(b) This clause is not applicable.

(xxi) This clause on qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements is not applicable.

UDIN - 23206383BGPZJO2340

For Jagannathan & Sarabeswaran  
Chartered Accountants  
FRN 001204S



  
Vivek Sarabeswaran  
Partner  
M. No.206383

Place: Chennai  
Date: 13.04.2023

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOUTHERN ENERGY DEVELOPMENT CORPORATION LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Southern Energy Development Corporation Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls 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. 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 Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.





## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 over Financial Reporting

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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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.

UDIN - 23206383BGPZJO2340



Place: Chennai  
Date: 13.04.2023

For Jagannathan & Sarabeswaran  
Chartered Accountants  
FRN 001204S

  
Vivek Sarabeswaran  
Partner  
(M.No.206383)

**Southern Energy Development Corporation Limited**  
**Balance Sheet as on ended March 31, 2023**

Rupees in lakhs

| Particulars |  | Note No. | As at 31.03.2023 | As at 31.03.2022 |
|-------------|--|----------|------------------|------------------|
| <b>A</b>    | <b>ASSETS</b>  |          |                  |                  |
| 1           | <b>Non-current assets</b>  |          |                  |                  |
|             | (a) Property, Plant and Equipment  | 1        | 848              | 296              |
|             | (b) Capital work-in-progress   | 1        | -                | 442              |
|             | (c) Other Intangible assets  |          | -                | -                |
|             | (d) Financial Assets   |          |                  |                  |
|             | (i) Investments  | 2        | 24,770           | 20,167           |
|             | (ii) Other Financial Assets  | 3        | 0                | 0                |
|             | (e) Deferred tax assets (net)  | 4        | 287              | 259              |
|             | (f) Other non-current assets   | 5        | 116              | 109              |
|             | <b>Total Non - Current Assets</b>  |          | <b>26,021</b>    | <b>21,273</b>    |
| 2           | <b>Current assets</b>  |          |                  |                  |
|             | (a) Inventories  | 6        | 56               | 61               |
|             | (b) Financial Assets   |          |                  |                  |
|             | (i) Investments  | 2        | -                | -                |
|             | (ii) Trade receivables   | 7        | 198              | 230              |
|             | (iii) Cash and cash equivalents  | 8        | 111              | 509              |
|             | (iv) Other Financial assets  | 9        | 1                | 0                |
|             | (c) Other current assets   | 10       | 16               | 85               |
|             | <b>Total Current Assets</b>  |          | <b>382</b>       | <b>885</b>       |
|             | <b>Total Assets (1+2)</b>  |          | <b>26,403</b>    | <b>22,158</b>    |
| <b>B</b>    | <b>EQUITY AND LIABILITIES</b>  |          |                  |                  |
| 1           | <b>Equity</b>  |          |                  |                  |
|             | (a) Share capital  | 11       | 46               | 46               |
|             | (b) Other Equity   | 11a      | 26,110           | 21,946           |
|             | <b>Total equity attributable to owners of the Company</b>                              |          | <b>26,156</b>    | <b>21,992</b>    |
|             | <b>LIABILITIES</b>   |          |                  |                  |
| 2           | <b>Non-current liabilities</b>   |          |                  |                  |
|             | (a) Provisions   | 12       | 31               | 31               |
|             | <b>Total Non - Current Liabilities</b>   |          | <b>31</b>        | <b>31</b>        |
| 3           | <b>Current liabilities</b>   |          |                  |                  |
|             | (a) Financial Liabilities  |          |                  |                  |
|             | (i) Trade payables   |          |                  |                  |
|             | Total outstanding dues of micro enterprises and small enterprises                      |          | -                | -                |
|             | Total outstanding dues of creditors other than micro enterprises and small enterprises | 13       | 196              | 111              |
|             | (b) Provisions   | 14       | 16               | 16               |
|             | (c) Other current liabilities  | 15       | 4                | 8                |
|             | <b>Total Current Liabilities</b>   |          | <b>216</b>       | <b>135</b>       |
|             | <b>Total Equity and Liabilities (1+2+3)</b>  |          | <b>26,403</b>    | <b>22,158</b>    |

The accompanying notes form an integral part of the financial statements

For Jagannathan & Sarabeswaran  
Chartered Accountants  
FRN 001204S

Vivek Sarabeswaran  
Partner  
Membership No : 206383

Place : Chennai  
Date : 13/04/2023

For Southern Energy Development Corporation Ltd.

  
Nair Nandkumar  
Director  
08660881

  
K. Raghunandan  
Director  
01204396



Southern Energy Development Corporation Limited  
Statement of Profit and Loss

Rupees in lakhs

| Particulars   | Note No. | FY 2022-23   | FY 2021-22   |
|---|----------|--------------|--------------|
| I Revenue from operations   | 16       | 2,612        | 2,454        |
| II Other Income   | 17       | 101          | 115          |
| <b>III Total Revenue (I + II)</b>   |          | <b>2,713</b> | <b>2,569</b> |
| <b>IV EXPENSES</b>  |          |              |              |
| (a) Cost of materials consumed  |          | 2,720        | 906          |
| (b) Employee benefits expense   | 18       | 158          | 134          |
| (c) Depreciation and amortisation expense   | 1        | 48           | 13           |
| (d) Other expenses  | 19       | 253          | 595          |
| <b>Total Expenses</b>   |          | <b>3,179</b> | <b>1,648</b> |
| <b>V Profit/(loss) before tax (III- IV)</b>                                       |          | <b>(466)</b> | <b>921</b>   |
| <b>VI Tax Expense</b>   |          |              |              |
| (1) Current tax   | 20       | -            | 210          |
| (2) Deferred tax  | 20       | (27)         | 26           |
| <b>Total tax expense</b>  |          | <b>(27)</b>  | <b>236</b>   |
| <b>VII Profit/(loss) for the period (V-VI)</b>                                    |          | <b>(439)</b> | <b>685</b>   |
| <b>VIII Other comprehensive income</b>  |          | <b>4,603</b> | <b>7,556</b> |
| <b>A (i) Items that will not be recycled to profit or loss</b>                    |          |              |              |
| (a) Remeasurements of the defined benefit (liabilities) / asset                   |          | (0)          | (1)          |
| (b) Equity instruments through other comprehensive income                         |          | 4,603        | 7,557        |
| (ii) Income tax relating to items that will not be reclassified to profit or loss |          |              |              |
| <b>IX Total comprehensive income for the period (VII+VIII)</b>                    |          | <b>4,164</b> | <b>8,241</b> |
| <b>X Earnings per Equity share on profit for the year</b>                         |          |              |              |
| Basic and Diluted   | 28       | (95.42)      | 148.85       |

The accompanying notes form an integral part of the financial statements

For Jagannathan & Sarabeswaran  
Chartered Accountants  
FRN 001204S

Vivek Sarabeswaran  
Partner  
Membership No : 206383

Place : Chennai  
Date : 13/04/2023

For Southern Energy Development Corporation Ltd.

Nair Nandkumar  
Director  
08660881

K. Raghunandan  
Director  
01204396



Southern Energy Development Corporation Limited  
Cash Flow Statement

(Rupees in lakhs)

| Particulars   |     | FY 2022-23 |       | FY 2021-22 |       |
|---|-----|------------|-------|------------|-------|
| <b>Profit before tax</b>  |     |            | (466) |            | 921   |
| <b>Adjustment for :</b>   |     |            |       |            |       |
| Depreciation and amortisation   |     | 48         |       | 13         |       |
| Finance costs   |     | -          |       | -          |       |
| Interest income   |     | (2)        |       | (5)        |       |
| Profit on sale of Investment  |     | -          |       | -          |       |
| Dividend income   |     | (86)       |       | (73)       |       |
| Impairment loss on financial assets (net)                                   |     | -          |       | -          |       |
| Allowance for doubtful receivable and advances                              |     | -          |       | -          |       |
| Reversal of allowance for doubtful receivables and advances                 |     | -          |       | -          |       |
| Provision for expenses no longer required written back                      |     | -          |       | -          |       |
| Loss/(profit) on sale of assets (net)                                       |     | (23)       |       | -          |       |
| Loss/(profit) on exchange fluctuation (net)                                 |     | -          | (63)  | -          | (65)  |
| <b>Operating profit before working capital changes</b>                      |     |            | (529) |            | 856   |
| <b>Movement in working capital</b>  |     |            |       |            |       |
| (Increase)/decrease in Trade Receivables                                    |     | 32         |       | 35         |       |
| (Increase)/decrease in Inventories  |     | 4          |       | (20)       |       |
| (Increase)/decrease in Other financial asset                                |     | (0)        |       | (0)        |       |
| (Increase)/decrease in Other assets   |     | 56         |       | 41         |       |
| Increase/(decrease) in Trade payables                                       |     | 85         |       | 21         |       |
| Increase/(decrease) in Provision & other current liabilities                |     | (3)        |       | 12         |       |
| Increase/(decrease) in Other financial liabilities                          |     | -          | 174   | -          | 89    |
| <b>Cash generated from Operations</b>                                       |     |            | (355) |            | 945   |
| Income tax paid   |     |            | -     |            | (210) |
| <b>Net cash generated by Operating activities</b>                           | [A] |            | (355) |            | 735   |
| <b>Cash flow from investing activities</b>                                  |     |            |       |            |       |
| Payments to acquire fixed asset   |     | (154)      |       | (648)      |       |
| Payments for Intangible asset   |     | -          |       | -          |       |
| Proceeds from sale of fixed assets  |     | 23         |       | -          |       |
| Proceeds / (Purchase) of Investments  |     | 0          |       | (3)        |       |
| Interest income received  |     | 2          |       | 5          |       |
| Dividend income received  |     | 86         |       | 73         |       |
| <b>Net cash (used in)/generated by Investing activities</b>                 | [B] |            | (43)  |            | (573) |
| <b>Cash flow from financing activities</b>                                  |     |            |       |            |       |
| Proceeds from issue of equity shares  |     | -          |       | -          |       |
| Repayment/proceeds from long term borrowings                                |     | -          |       | -          |       |
| Repayment/proceeds from borrowings  |     | -          |       | -          |       |
| Lease liability paid  |     | -          |       | -          |       |
| Finance costs paid  |     | -          |       | -          |       |
| Dividend paid to Shareholder (including tax)                                |     | -          |       | (230)      |       |
| <b>Net cash used in Financing activities</b>                                | [C] |            | -     |            | (230) |
| <b>Net increase/(decrease) in cash and cash equivalents [A] + [B] + [C]</b> |     |            | (398) |            | (68)  |
| <b>Reconciliation of Cash and cash equivalents with the Balance Sheet :</b> |     |            |       |            |       |
| <b>Cash and cash equivalents at the beginning of the year</b>               |     |            |       |            |       |
| Cash and cash equivalents   |     |            | 509   |            | 577   |
| Current investment considered as Cash and Cash equivalents                  |     |            | -     |            | -     |
|   |     |            | 509   |            | 577   |
| <b>Cash and cash equivalents at the end of the year</b>                     |     |            |       |            |       |
| Cash and cash equivalents   |     |            | 111   |            | 509   |
| Current investment considered as Cash and Cash equivalents                  |     |            | -     |            | -     |
|   |     |            | 111   |            | 509   |

For Jagannathan & Sarabeswaran  
Chartered Accountants  
FRN 0012045

Vivek Sarabeswaran  
Partner  
Membership No : 206383

Place : Chennai  
Date : 13/04/2023

For Southern Energy Development Corporation Ltd.

  
Neer Nandkumar  
Director  
08680881

  
K. Raghunandan  
Director  
01204396



## **SOUTHERN ENERGY DEVELOPMENT CORPORATION LIMITED**

**Notes forming part of the Financial Statements for the year ended March 31, 2023**

### **A. Corporate Information**

Southern Energy Development Corporation Limited (SEDCO), subsidiary of M/s. Carborundum Universal Limited, commenced its operation in 1999. The prime objective of the company is to meet the energy requirements of its investor companies which are part of the Murugappa Group. The company is currently operating a 5 MW, Natural Gas based power plant located at Nallur, Mannargudi (Taluk) The company is procuring Natural Gas from ONGC and generating power for captive use by various industrial units of its investors by wheeling the generated power to TANGEDCO's Grid from its Nallur Plant. The company is also into the business of sale and installation of solar power systems to various customers.

### **B. Significant accounting policies**

#### **(i) Basis on preparation and presentation of financial statements**

The financial statements have been prepared and presented in accordance with the Indian Accounting Standards (Ind AS) as prescribed by the Companies (Indian Accounting Standards) Rules, 2015 and Schedule III of the Companies Act, 2013 ("the Act").

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transactions between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use as in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- b. Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly;
- c. Level 3 inputs are unobservable inputs for the asset or liability;

#### **ii. Property, plant and equipment and the depreciation / impairment**



## **SOUTHERN ENERGY DEVELOPMENT CORPORATION LIMITED**

### **Notes forming part of the Financial Statements for the year ended March 31, 2023**

All tangible assets (other than computer hardware and software) acquired prior to 31st December 2019 were fully depreciated during the period of the ONGC gas supply agreement that was valid till 31st December 2019, and tangible assets (other than computer hardware and software) acquired from 1st January 2020 shall be depreciated over the period of the term of the new agreement with ONGC (December 2024) and the agreement with Solar Power Customer (December 2044). Computer hardware and software are depreciated on Straight line method (SLM) over the useful life of the asset as per schedule II of The Companies ACT, 2013.

#### **iii. Intangible assets and amortization**

Intangible assets (computer software) acquired separately are carried at cost less accumulated depreciation / amortization. Amortization / depreciation is recognized on a straight-line basis over their estimated useful life as determined under Schedule II of the Companies Act 2013.

#### **iv. Financial instruments – Financial assets and financial liabilities**

A financial instrument being a financial asset or a financial liability is recognized only when the company has become party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Any subsequent changes in fair value of a financial asset or liability are recognized in the profit and loss account.

Unconditional trade receivables and payables are recognized as assets or liabilities when the entity becomes a party to the contract and, consequently has a legal right to receive or a legal obligation to pay cash. Unconditional trade receivables are measured at their transaction price. No lifetime expected credit losses are recognized for billing on group companies as the entire receivables are recovered in entirety.

Investments held for trading are subsequently measured at fair value through the profit and loss account. Financial liabilities are recognized initially at fair value and subsequently measured at amortized cost.



## **SOUTHERN ENERGY DEVELOPMENT CORPORATION LIMITED**

**Notes forming part of the Financial Statements for the year ended March 31, 2023**

### **v. Non - Current assets - Investments**

Investment in the equity shares of Group companies have been recognized at cost, and subsequent changes in the fair value have been irrevocably recognized in other comprehensive income. Dividends on investments in shares of Group companies are recognized in the profit and loss account.

### **vi. Inventories**

Inventories of consumable stores and engineering spares are valued at lower of cost and net realizable value. Cost includes all costs of purchase, duties and other taxes, transport, handling and other costs net of trade discounts and rebates. In respect of consumable stores and engineering spares, cost is determined using the weighted average method. Net realizable value represents the estimated selling price less all estimated cost of completion and cost necessary to make the sale.

### **vii. Revenue recognition**

Revenue is recognised 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 for each separate performance obligation taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The transaction price is net of estimated customer returns, rebates and other similar allowances.

Energy sales is accounted in accordance with Ind AS 115, and represents performance obligation of electricity generated and wheeled into the TANGEDCO grid and corresponding credit for wheeled power is transferred by TANGEDCO to our customers in their monthly electricity bills. The Company in turn, raises invoices on a monthly basis on its captive customers in line with credit given by TANGEDCO.

Energy sales from Solar plant is accounted accordance with Ind AS 115 and represents the performance obligation of electricity generated and wheeled directly to the grid of the customer. The company raises invoices to their customers at the agreed per unit rate as per the power purchase agreement.

Revenue on Sale of Solar Power Systems is accounted accordance with Ind AS 115, and represents the performance obligation on sale and installation of Solar Power System in the customer premises as per agreed terms and rates.

Interest income is accounted on accrual basis and divided income is accounted for when the right to receive the payment is established.



## **SOUTHERN ENERGY DEVELOPMENT CORPORATION LIMITED**

### **Notes forming part of the Financial Statements for the year ended March 31, 2023**

#### **viii. Provisions**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

#### **ix. Post-employment benefits**

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

The liability for retirement benefit of gratuity to employees as at the Balance Sheet date is determined using the Projected Unit Credit method and is funded to a Gratuity fund administered by the Trustees and managed by SBI Life Insurance Company Limited. The unfunded portion of the liability for gratuity is provided for in the accounts. The actuarial gain or loss is recognized in Other Comprehensive Income (OCI).

#### **x. Foreign currency transactions & balances**

Transactions in Foreign currencies are accounted for in rupee terms at the relevant applicable exchange rates on the date of transaction. Foreign currency monetary items are translated using the closing rate and the resultant gain/loss, if any, is recognized in the profit and loss account.

#### **xi. Income taxes**

Current tax for current period and prior periods, if any is determined on income for the year chargeable to tax in accordance with Income Tax Act, 1961. Current and deferred tax are recognized as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity.

A deferred tax liability shall be recognized for all taxable temporary differences. Deferred tax assets have been recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

Current tax liabilities or assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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





## **SOUTHERN ENERGY DEVELOPMENT CORPORATION LIMITED**

**Notes forming part of the Financial Statements for the year ended March 31, 2023**

### **xii. Earnings per share**

Basic earnings per share is calculated by dividing net profit after tax for the year attributable to equity shareholders of the company by the weighted average number of equity shares issued.

Diluted Earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares & dilutive potential equity shares during the year.

### **xiii. Contingent liabilities**

Contingent liabilities are disclosed for:

- Possible obligation which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.



Property, plant and equipment

Note No 1  
(Rupees in lakhs)

|  |                      |                  |                            |                               |                 |                                    | As at        |           |
|--|----------------------|------------------|----------------------------|-------------------------------|-----------------|------------------------------------|--------------|-----------|
|  |                      |                  |                            |                               |                 |                                    | 31.3.2023    | 31.3.2022 |
| <b>Carrying Amount of:</b>               |                      |                  |                            |                               |                 |                                    |              |           |
| Freehold land                            |                      |                  |                            |                               |                 | 13                                 | 13           |           |
| Buildings                                |                      |                  |                            |                               |                 | 5                                  | 5            |           |
| Plant and equipment                      |                      |                  |                            |                               |                 | 830                                | 278          |           |
| Furniture and fittings                   |                      |                  |                            |                               |                 | 0                                  | 0            |           |
| Vehicles                                 |                      |                  |                            |                               |                 | -                                  | -            |           |
| Vehicle under finance lease              |                      |                  |                            |                               |                 | -                                  | -            |           |
|  |                      |                  |                            |                               |                 | 848                                | 296          |           |
| Capital work-in-progress                 |                      |                  |                            |                               |                 | 0                                  | 442          |           |
|  |                      |                  |                            |                               |                 | 848                                | 738          |           |
|  |                      |                  |                            |                               |                 |                                    |              |           |
| <b>Carrying Cost</b>                     | <b>Freehold land</b> | <b>Buildings</b> | <b>Plant and equipment</b> | <b>Furniture and fittings</b> | <b>Vehicles</b> | <b>Vehicle under finance lease</b> | <b>Total</b> |           |
| Balance at March 31, 2022                | 13                   | 120              | 2,141                      | 8                             | -               | -                                  | 2,282        |           |
| Additions                                | -                    | -                | 598                        | -                             | -               | -                                  | 598          |           |
| Disposals                                | -                    | -                | -                          | -                             | -               | -                                  | -            |           |
| Acquisition through business combination | -                    | -                | -                          | -                             | -               | -                                  | -            |           |
| Balance at March 31, 2023                | 13                   | 120              | 2,739                      | 8                             | -               | -                                  | 2,880        |           |
|  |                      |                  |                            |                               |                 |                                    |              |           |
| <b>Accumulated Depreciation</b>          | <b>Freehold land</b> | <b>Buildings</b> | <b>Plant and equipment</b> | <b>Furniture and fittings</b> | <b>Vehicles</b> | <b>Vehicle under finance lease</b> | <b>Total</b> |           |
| Balance at March 31, 2022                | -                    | 115              | 1,861                      | 8                             | 0               | 0                                  | 1,984        |           |
| Additions                                | -                    | -                | 48                         | -                             | -               | -                                  | 48           |           |
| Disposals                                | -                    | -                | -                          | -                             | -               | -                                  | -            |           |
| Acquisition through business combination | -                    | -                | -                          | -                             | -               | -                                  | -            |           |
| Balance at March 31, 2023                | -                    | 115              | 1,906                      | 8                             | -               | -                                  | 2,032        |           |

848

|                                   |     |
|-----------------------------------|-----|
| Capital work in progress movement |     |
| Balance at March 31, 2022         | 442 |
| Addition during the year          | 160 |
| Capitalised during the year       | 602 |
| Balance at March 31, 2023         | -   |

| Written Down Value        | Freehold land | Buildings | Plant and equipment | Furniture and fittings | Vehicles | Vehicle under finance lease | Total |
|---------------------------|---------------|-----------|---------------------|------------------------|----------|-----------------------------|-------|
| Carrying amount           |               |           |                     |                        |          |                             |       |
| Balance at March 31, 2022 | 13            | 4         | 278                 | 0                      | -        | -                           | 296   |
| Additions                 | -             | -         | 602                 | -                      | -        | -                           | 602   |
| Disposals                 | -             | -         | 2                   | -                      | -        | -                           | 2     |
| Depreciation expense      | -             | -         | 48                  | -                      | -        | -                           | 48    |
| Balance at March 31, 2023 | 13            | 4         | 830                 | 0                      | -        | -                           | 848   |

Other Intangible assets

|                                     |  | As at     |           |
|-------------------------------------|--|-----------|-----------|
|                                     |  | 31.3.2023 | 31.3.2022 |
| <b>Carrying amounts of :</b>        |  |           |           |
| Trademark                           |  | -         | -         |
| Software                            |  | -         | -         |
| Technical Know-how                  |  | -         | -         |
| Intangible assets under development |  | -         | -         |

| Cost or deemed cost       | Trademark | Software | Technical know how | Total |
|---------------------------|-----------|----------|--------------------|-------|
| Balance at March 31, 2022 | -         | 1        | -                  | 1     |
| Additions                 | -         | -        | -                  | -     |
| Disposals                 | -         | -        | -                  | -     |
| Balance at March 31, 2023 | -         | 1        | -                  | 1     |

| Accumulated depreciation and impairment | Trade mark | Software | Technical know how | Total |
|---|------------|----------|--------------------|-------|
| Balance at March 31, 2022               | -          | 1        | -                  | 1     |
| Additions                               | -          | -        | -                  | -     |
| Disposals                               | -          | -        | -                  | -     |
| Balance at March 31, 2023               | -          | 1        | -                  | 1     |

Significant intangible assets

The Company does not hold any intangible assets that materially affect the business operations of the company.

Ageing of Capital Work in Progress - FY 2022-23

| CWIP                           | Amount of CWIP for a period of |           |           |                   | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
|                                | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |       |
| Project in Progress            | 442                            | -         | -         | -                 | 442   |
| Projects temporarily suspended | NIL                            | NIL       | NIL       | NIL               |       |

Ageing of Capital Work in Progress - FY 2021-22

| CWIP                           | Amount of CWIP for a period of |           |           |                   | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
|                                | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |       |
| Project in Progress            | 442                            | -         | -         | -                 | 442   |
| Projects temporarily suspended | NIL                            | NIL       | NIL       | NIL               |       |

There are no projects where completion is overdue or costs has exceeded compared to original.



Non-current investments

Note No 2  
(Rupees in lakhs)

|  | Quantities in nos. |                  | Nominal value | Value            |                  |
|--|--------------------|------------------|---------------|------------------|------------------|
|  | As at 31.03.2023   | As at 31.03.2022 |               | As at 31.03.2023 | As at 31.03.2022 |
| <b>Quoted (Trade)</b>                              |                    |                  |               |                  |                  |
| <b>(a) Investments in equity instruments</b>       |                    |                  |               |                  |                  |
| Equity Shares (fully paid)                         |                    |                  |               |                  |                  |
| Instruments at FVTOCI:                             |                    |                  |               |                  |                  |
| Carborundum Universal Limited *                    | 24,49,240          | 24,49,240        | 1             | 24,142           | 19,539           |
| <b>Unquoted (Trade)</b>                            |                    |                  |               |                  |                  |
| <b>(b) Investments in other equity instruments</b> |                    |                  |               |                  |                  |
| Equity Shares (fully paid)                         |                    |                  |               |                  |                  |
| Instruments at FVTOCI:                             |                    |                  |               |                  |                  |
| Murugappa Organo Water Solution Limited #          | 39,922             | 8,921            | 10            | 628              | 628              |
| Instruments at FVTPL                               |                    |                  |               |                  |                  |
| Ciria India limited                                | 1                  | 1                | 330           | 0                | 0                |
| <b>Total</b>                                       |                    |                  |               | <b>24,770</b>    | <b>20,167</b>    |

Category-wise other investments

|  | As at         |               |
|--|---------------|---------------|
|  | 31.03.2023    | 31.03.2022    |
| <b>Financial assets carried at fair value through profit or loss (FVTPL)</b>                   |               |               |
| Mandatorily measured at FVTPL(unquoted equity shares)  | 0             | 0             |
| <b>Financial assets designated at FVTOCI(Equity instruments)</b>                               | 24,770        | 20,167        |
| <b>Investments at cost(includes investment in associates, subsidiaries and joint ventures)</b> | -             | -             |
| <b>Total</b>   | <b>24,770</b> | <b>20,167</b> |

Note:

\* Shares purchased before becoming a subsidiary of Carborundum Universal Ltd.

No voting rights are exercisable in respect of these shares (Sec 19(1) (c) of The Companies Act,2013)

# Investments recorded at fair value based on the valuation report of a Chartered Accountant.

Current Investments

|  | Quantities in nos. |                  | Nominal value | Value            |                  |
|--|--------------------|------------------|---------------|------------------|------------------|
|  | As at 31.03.2023   | As at 31.03.2022 |               | As at 31.03.2023 | As at 31.03.2022 |
| <b>Quoted (Non-Trade)</b>              |                    |                  |               |                  |                  |
| <b>(a) Investments in Mutual Funds</b> | -                  | -                | -             | -                | -                |
| <b>Total</b>                           | -                  | -                | -             | -                | -                |



Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2023

Other Financial Assets

Note No 3  
(Rupees in lakhs)

| Particulars   |                  |                  |
|---|------------------|------------------|
|   | As at 31.03.2023 | As at 31.03.2022 |
| <b>a) Security Deposits</b>                               |                  |                  |
| - Secured, considered good                                | -                | -                |
| - Unsecured, considered good                              | 0                | 0                |
| <b>b) Bank deposits with more than 12 months maturity</b> | -                | -                |
| <b>c) Others</b>  | -                | -                |
| - Doubtful  | -                | -                |
| <b>TOTAL (A)</b>  | <b>0</b>         | <b>0</b>         |



Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2023

**Note No 4**  
(Rupees in lakhs)

**Deferred tax balance**

| Particulars              | As at      |            |
|--------------------------|------------|------------|
|                          | 31.03.2023 | 31.03.2022 |
| Deferred tax assets *    | 287        | 259        |
| Deferred tax liabilities | -          | -          |

**FY 2022-23**

| Breakup of deferred tax asset/ liabilities | Opening balance | Recognised in profit & loss | Recognised in OCI | Closing Balance |
|--|-----------------|-----------------------------|-------------------|-----------------|
| Depreciation-Project-II Only               | 259             | 27                          | -                 | 287             |

**FY 2021-22**

| Breakup of deferred tax asset/ liabilities | Opening balance | Recognised in profit & loss | Recognised in OCI | Closing Balance |
|--|-----------------|-----------------------------|-------------------|-----------------|
| Depreciation-Project-II Only               | 285             | (27)                        | -                 | 259             |

\* The deferred tax asset relating to the unabsorbed business losses is not recognized in the current year considering the uncertainty prevailing over the input gas prices. As a matter of prudence the recognition is not done. However the unabsorbed business losses are eligible to be carried forward and set off against the taxable business income in future.



Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2023

Other Non-Current Assets

Note No 5  
(Rupees in lakhs)

| Particulars                                   |                  |                  |
|---|------------------|------------------|
|   | As at 31.03.2023 | As at 31.03.2022 |
| Advance income tax Unsecured, considered good | 116              | 104              |
| Capital Advance                               | -                | 4                |
| <b>TOTAL</b>                                  | <b>116</b>       | <b>109</b>       |
|   |                  |                  |



Southern Energy Development Corporation Limited

Notes forming part of the Standalone financial statements for the year ended 31st March 2023

Inventories

Note No 6  
(Rupees in lakhs)

| Particulars                                    | As at 31.03.2023 | As at 31.03.2022 |
|--|------------------|------------------|
| Stores and spares                              | 56               | 61               |
| <b>Total Inventories *</b>                     | <b>56</b>        | <b>61</b>        |
| *at the lower of cost and net realisable value |                  |                  |



**Receivables**

The general average credit period on sale of energy is 7 days and the dues are usually realized within the credit period. So no interest is charged on trade receivables.

No expected credit losses on supply of to Murugappa group companies and there has been no history of credit loss.

**Expected credit loss for non-related parties**

|                             | Expected credit loss (%) |
|-----------------------------|--------------------------|
| Within the credit period    | 0%                       |
| 1-30 days past due          | 0%                       |
| 31-60 days past due         | 0%                       |
| 61-90 days past due         | 0%                       |
| 90-180 days past due        | 0%                       |
| 181-365 days past due       | 50%                      |
| More than 365 days past due | 100%                     |

| Movement in the expected credit loss allowance   | As at            |                  |
|--|------------------|------------------|
|  | As at 31.03.2023 | As at 31.03.2022 |
| Balance at the beginning of the year   | -                | -                |
| Movement in the expected credit loss allowance on trade receivables calculated at life time expected credit losses | -                | -                |
|  | -                | -                |

**Trade receivables**

| Particulars                       | As at      |            |
|-----------------------------------|------------|------------|
|                                   | 31.03.2023 | 31.03.2022 |
|                                   | Current    | Current    |
| Trade Receivables :               |            |            |
| (a) Considered good               | 198        | 230        |
| (b) Doubtful                      | -          | -          |
|                                   | 198        | 230        |
| Less: Allowance for Credit Losses | -          | -          |
| <b>TOTAL</b>                      | <b>198</b> | <b>230</b> |

Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

\*To be read with Note 29





2) Ageing schedule is to be given for Trade receivables from the due date

- (i) Where no due date of payment is specified disclosure shall be from the date of the transaction.  
 (ii) Disputed dues shall be disclosed separately . Dispute means disagreement between two parties demonstrated by some positive evidence which supports or corroborates the fact of disagreement.  
 (iii) Total Trade receivable ageing shall be segregated into related and non related parties to enable elimination age - bucketwise when consolidating

| As at 31 March 2023 - Non - Related parties                                     |              |         |                    |                    |            |           |                   |       |
|---|--------------|---------|--------------------|--------------------|------------|-----------|-------------------|-------|
| Particulars   | Unbilled due | Not due | Less than 6 months | 6 months to 1 year | 1- 2 years | 2-3 Years | More than 3 years | Total |
| (i) Undisputed Trade receivable-Considered good                                 |              | 54      |                    | 0                  |            |           |                   | 54    |
| (ii) Undisputed Trade receivable-which have significant increase in credit risk |              |         |                    |                    |            |           |                   |       |
| (iii) Undisputed Trade receivable-credit impaired                               |              |         |                    |                    |            |           |                   |       |
| (iv) Disputed Trade receivable-Considered good                                  |              |         |                    |                    |            |           |                   |       |
| (v) Disputed Trade receivable-which have significant increase in credit risk    |              |         |                    |                    |            |           |                   |       |
| (vi) Disputed Trade receivable-credit impaired                                  |              |         |                    |                    |            |           |                   |       |

| As at 31 March 2023 - Related parties |              |         |                    |                  |            |           |                   |       |
|---------------------------------------|--------------|---------|--------------------|------------------|------------|-----------|-------------------|-------|
| Particulars                           | Unbilled due | Not due | Less than 6 months | Less than 1 Year | 1- 2 years | 2-3 Years | More than 3 years | Total |
| Related parties                       | -            | 137     | 7                  | -                | -          | -         | -                 | 144   |

| As at 31 March 2022 - Non - Related parties                                     |              |         |                    |                    |            |           |                   |       |
|---|--------------|---------|--------------------|--------------------|------------|-----------|-------------------|-------|
| Particulars   | Unbilled due | Not due | Less than 6 months | 6 months to 1 year | 1- 2 years | 2-3 Years | More than 3 years | Total |
| (i) Undisputed Trade receivable-Considered good                                 |              |         |                    |                    |            |           |                   |       |
| (ii) Undisputed Trade receivable-which have significant increase in credit risk |              |         | 50                 |                    |            |           |                   | 50    |
| (iii) Undisputed Trade receivable-credit impaired                               |              |         |                    |                    |            |           |                   |       |
| (iv) Disputed Trade receivable-Considered good                                  |              |         |                    |                    |            |           |                   |       |
| (v) Disputed Trade receivable-which have significant increase in credit risk    |              |         |                    |                    |            |           |                   |       |
| (vi) Disputed Trade receivable-credit impaired                                  |              |         |                    |                    |            |           |                   |       |

| As at 31 March 2022 - Related parties |              |         |                    |                  |            |           |                   |       |
|---------------------------------------|--------------|---------|--------------------|------------------|------------|-----------|-------------------|-------|
| Particulars                           | Unbilled due | Not due | Less than 6 months | Less than 1 Year | 1- 2 years | 2-3 Years | More than 3 years | Total |
| Related parties                       | -            | 180     | -                  | -                | -          | -         | -                 | 180   |

**Southern Energy Development Corporation Limited**  
**Notes forming part of the Standalone financial statements for the year ended 31st March 2023**

**Cash and Bank Balances**

**Note No 8**  
**(Rupees in lakhs)**

| Particulars                            |                  |                  |
|--|------------------|------------------|
|  | As at 31.03.2023 | As at 31.03.2022 |
| <b>Current Cash and bank balances</b>  |                  |                  |
| (a) Unrestricted Balances with banks   |                  |                  |
| (i) In Current Account                 | 111              | 64               |
| (ii) In Deposit Account                | -                | 445              |
| (b) Cash in hand                       | 0                | 0                |
| <b>Total Cash and cash equivalents</b> | <b>111</b>       | <b>509</b>       |

During the year, the company has not entered into any non-cash transactions on investing & financing activities.



Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2023

Other Financial Assets - Current

Note No 9  
(Rupees in lakhs)

| Particulars   | Note No 9<br>(Rupees in lakhs) |                  |
|---|--------------------------------|------------------|
|   | As at 31.03.2023               | As at 31.03.2022 |
| a) Loans and advances to employees - Festival Advances      | 1                              | 0                |
| b) Other Loans and Advances<br>- Unsecured, considered good | -                              | -                |
| <b>TOTAL</b>  | <b>1</b>                       | <b>0</b>         |
| <i>*Refer Note No 29 for additional disclosures</i>         |                                |                  |



**Southern Energy Development Corporation Limited**

**Notes forming part of the Standalone financial statements for the year ended 31st March 2023**

**Other current assets**

**Note No 10  
(Rupees in lakhs)**

| Particulars    | As at 31.03.2023 | As at 31.03.2022 |
|----------------|------------------|------------------|
|                | Prepayments      | 7                |
| Trade Advances | 9                | 71               |
| <b>TOTAL</b>   | <b>16</b>        | <b>85</b>        |



Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2023  
(in Indian Rupees )  
Equity Share Capital  
For Financial Year 2022-23

Note no 11  
(Rupees in lakhs)

|  | Balance as at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|---|--|---|---|--|
| <b>Authorised</b>  |   |  |   |   |  |
| 1,250,000 ( Previous Year - 1,250,000 ) equity shares of Rs. 10 each                             | 125   | -  | -   | -   | 125  |
| 600,000 ( Previous year - 600,000) - 13% redeemable cumulative preference shares @ Rs.100 each   | 600   | -  | -   | -   | 600  |
|  | <b>725</b>  |  |   |   | <b>725</b>   |
| <b>Issued Capital</b>  |   |  |   |   |  |
| 1,200,040 ( Previous year 1,200,040 ) - equity shares of Rs 10 each                              | 120   |  |   |   | 120  |
| 600,000 ( Previous year 600,000 ) 13% redeemable cumulative preference shares @ Rs 100 each      | 600   |  |   |   | 600  |
|  | <b>720</b>  |  |   |   | <b>720</b>   |
| <b>Subscribed and paid-up</b>  |   |  |   |   |  |
| 460,008 Equity shares of Rs. 10 each fully paid (Previous year 460,008 of Rs.10 each fully paid) | 46  |  |   |   | 46   |
|  | <b>46</b>   |  |   |   | <b>46</b>  |

Note :40,032 shares of Rs 10 each have been bought back at a price of Rs 545 per share from the share holders pursuant to the offer for buy-back of shares made during the FY 2008-09. Of this, the holding company M/s Carborundum Universal Ltd holds 389,908 equity shares - (Previous year - 389,908 equity shares)

Equity Share Capital  
For Financial Year 2021-22

|  | Balance as at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|---|--|---|---|--|
| <b>Authorised</b>  |   |  |   |   |  |
| 1,250,000 ( Previous Year - 1,250,000 ) equity shares of Rs. 10 each                             | -   | -  | -   | -   | -  |
| 600,000 ( Previous year - 600,000) - 13% redeemable cumulative preference shares @ Rs.100 each   | 46  | -  | -   | -   | 46   |
|  | <b>46</b>   |  |   |   | <b>46</b>  |
| <b>Issued Capital</b>  |   |  |   |   |  |
| 1,200,040 ( Previous year 1,200,040 ) - equity shares of Rs 10 each                              | -   |  |   |   | -  |
| 600,000 ( Previous year 600,000 ) 13% redeemable cumulative preference shares @ Rs 100 each      | -   |  |   |   | -  |
|  | <b>-</b>  |  |   |   | <b>-</b>   |
| <b>Subscribed and paid-up</b>  |   |  |   |   |  |
| 460,008 Equity shares of Rs. 10 each fully paid (Previous year 460,008 of Rs.10 each fully paid) | 46  |  |   |   | 46   |
| <b>Total</b>   | <b>46</b>   |  |   |   | <b>46</b>  |

Note: 40,032 shares of Rs 10 each have been bought back at a price of Rs 545 per share from the share holders pursuant to the offer for buy-back of shares made during the FY 2008-09. Of this, the holding company M/s Carborundum Universal Ltd holds 389,908 equity shares - (Previous year - 389,908 equity shares)

Details of shareholders holding more than 5% of the aggregate share capital in the company

| Name of shareholders          | As at 31.03.2023 |                | As at 31.03.2022 |                |
|-------------------------------|------------------|----------------|------------------|----------------|
|                               | No. of Shares    | % of holding   | No. of Shares    | % of holding   |
| Carborundum Universal Ltd     | 3,89,904         | 84.76%         | 3,89,904         | 84.76%         |
| Tube Investments of India Ltd | 70,000           | 15.22%         | 70,000           | 15.22%         |
| Others                        | 104              | 0.02%          | 104              | 0.02%          |
| <b>Total</b>                  | <b>4,60,008</b>  | <b>100.00%</b> | <b>4,60,008</b>  | <b>100.00%</b> |



| Additional information  | FY 2022-23 | FY 2021-22 |
|---|------------|------------|
| a) Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash | Nil        | Nil        |
| b) Aggregate number and class of shares allotted as fully paid up by way of bonus shares; and                                 | Nil        | Nil        |
| c) Aggregate number and class of shares bought back   | Nil        | Nil        |

**Details of Promoter Share holding**  
**Shares held by Promoters**

| for Financial Year 2022-23 |                               |              |                   |                          |
|----------------------------|-------------------------------|--------------|-------------------|--------------------------|
| S.No                       | Promoter Name                 | No of shares | % of total shares | % change during the year |
| 1                          | Carborundum Universal Limited | 3,89,908     | 84.76%            | NIL                      |
| for Financial Year 2021-22 |                               |              |                   |                          |
| S.No                       | Promoter Name                 | No of shares | % of total shares | % change during the year |
| 1                          | Carborundum Universal Limited | 3,89,908     | 84.76%            | NIL                      |



Reserves and Surplus

| Particulars  | Share application money pending allotment | Equity component of compound financial instruments | Capital Reserve | Capital Redemption Reserve | Securities Premium | General Reserve | Retained Earnings | Debt instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of a foreign operation | Other Items of Other Comprehensive Income - Remeasurements of the defined benefit liabilities / (asset) | Money received against share warrants | Total  |
|--|---|--|-----------------|----------------------------|--------------------|-----------------|-------------------|---|---|---------------------------------------|---------------------|---|---|---------------------------------------|--------|
| Balance at the beginning of the previous reporting period          | -   | -  | -               | 604                        | -                  | 439             | 1,053             | -   | 19,879  | -                                     | -                   | -   | (29)  | -                                     | 21,946 |
| Changes in accounting policy / prior period items                  | -   | -  | -               | -                          | -                  | -               | -                 | -   | -   | -                                     | -                   | -   | -   | -                                     | -      |
| Restated balance at the beginning of the previous reporting period | -   | -  | -               | -                          | -                  | -               | -                 | -   | -   | -                                     | -                   | -   | -   | -                                     | -      |
| Profit for the year  | -   | -  | -               | -                          | -                  | -               | (439)             | -   | 4,603   | -                                     | -                   | -   | -   | -                                     | (439)  |
| Total Comprehensive Income for the previous year                   | -   | -  | -               | -                          | -                  | -               | -                 | -   | 4,603   | -                                     | -                   | -   | -   | -                                     | 4,603  |
| Dividends  | -   | -  | -               | -                          | -                  | -               | -                 | -   | -   | -                                     | -                   | -   | -   | -                                     | -      |
| Transfer to Retained Earnings                                      | -   | -  | -               | -                          | -                  | -               | -                 | -   | -   | -                                     | -                   | -   | -   | -                                     | -      |
| Any other change (to be specified)                                 | -   | -  | -               | -                          | -                  | -               | -                 | -   | -   | -                                     | -                   | -   | (0)   | -                                     | (0)    |
| Balance at the end of the previous reporting period                | -   | -  | -               | 604                        | -                  | 439             | 614               | -   | 24,483  | -                                     | -                   | -   | (29)  | -                                     | 26,110 |

Reserves and Surplus

| Particulars  | Share application money pending allotment | Equity component of compound financial instruments | Capital Reserve | Capital Redemption Reserve | Securities Premium | General Reserve | Retained Earnings | Debt instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of a foreign operation | Other Items of Other Comprehensive Income - Remeasurements of the defined benefit liabilities / (asset) | Money received against share warrants | Total  |
|--|---|--|-----------------|----------------------------|--------------------|-----------------|-------------------|---|---|---------------------------------------|---------------------|---|---|---------------------------------------|--------|
| Balance at the beginning of the previous reporting period          | -   | -  | -               | 604                        | -                  | 439             | 598               | -   | 12,322  | -                                     | -                   | -   | (28)  | -                                     | 13,995 |
| Changes in accounting policy / prior period items                  | -   | -  | -               | -                          | -                  | -               | -                 | -   | -   | -                                     | -                   | -   | -   | -                                     | -      |
| Restated balance at the beginning of the previous reporting period | -   | -  | -               | -                          | -                  | -               | -                 | -   | -   | -                                     | -                   | -   | -   | -                                     | -      |
| Profit for the year  | -   | -  | -               | -                          | -                  | -               | 685               | -   | 7,557   | -                                     | -                   | -   | -   | -                                     | 685    |
| Total Comprehensive Income for the previous year                   | -   | -  | -               | -                          | -                  | -               | 685               | -   | 7,557   | -                                     | -                   | -   | -   | -                                     | 7,556  |
| Dividends  | -   | -  | -               | -                          | -                  | -               | -                 | -   | -   | -                                     | -                   | -   | -   | -                                     | -      |
| Transfer to Retained Earnings                                      | -   | -  | -               | -                          | -                  | -               | (230)             | -   | -   | -                                     | -                   | -   | -   | -                                     | (230)  |
| Any other change (to be specified)                                 | -   | -  | -               | -                          | -                  | -               | -                 | -   | -   | -                                     | -                   | -   | -   | -                                     | -      |
| Balance at the end of the previous reporting period                | -   | -  | -               | 604                        | -                  | 439             | 1,053             | -   | 19,879  | -                                     | -                   | -   | (29)  | -                                     | 21,946 |



**Southern Energy Development Corporation Limited**

**Notes forming part of the Standalone financial statements for the year ended 31st March 2023**

**Non-Current Liabilities - Provisions**

**Note No 12  
(Rupees in lakhs)**

| <b>Particulars</b> | <b>As at<br/>31.03.2023</b> | <b>As at<br/>31.03.2022</b> |
|--------------------|-----------------------------|-----------------------------|
| Gratuity Liability | 31                          | 31                          |





Trade Payables - Current

Note No. 13  
(Rupees in lakhs)

| Particulars  | As at 31.03.2023 | As at 31.03.2022 |
|--|------------------|------------------|
| Total outstandings due to micro and small enterprises - Also refer Note no.23          | -                | -                |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 103              | 90               |
| Other Accruals   | 81               | 11               |
| Employee Benefits Expenses   | -                | -                |
| Gratuity   | 0                | 0                |
| Leave Fare Assistance  | 2                | 1                |
| Provident Fund   | 1                | 1                |
| Incentive  | 9                | 8                |
| <b>Total trade payables</b>  | <b>196</b>       | <b>111</b>       |

Ageing schedule for Trade Payables:

As at 31 March 2023 - Non - Related parties

| Particulars                 | Unbilled due | Not due | Less than 1 Year | 1- 2 years | 2-3 Years | More than 3 years | Total |
|-----------------------------|--------------|---------|------------------|------------|-----------|-------------------|-------|
| (i) MSME                    |              |         |                  |            |           |                   |       |
| (ii) Others                 |              | 102     | 1                |            |           |                   | 103   |
| (iii) Disputed Dues - MSME  |              |         |                  |            |           |                   |       |
| (iv) Disputed Dues - Others |              |         |                  |            |           |                   |       |
| Total                       |              |         |                  |            |           |                   |       |

As at 31 March 2023 - Related parties

| Particulars                 | Unbilled due | Not due | Less than 1 Year | 1- 2 years | 2-3 Years | More than 3 years | Total |
|-----------------------------|--------------|---------|------------------|------------|-----------|-------------------|-------|
| (i) MSME                    |              |         |                  |            |           |                   |       |
| (ii) Others                 |              |         |                  |            |           |                   |       |
| (iii) Disputed Dues - MSME  |              |         |                  |            |           |                   |       |
| (iv) Disputed Dues - Others |              |         |                  |            |           |                   |       |

As at 31 March 2022 - Non - Related parties

| Particulars                 | Unbilled due | Not due | Less than 1 Year | 1- 2 years | 2-3 Years | More than 3 years | Total |
|-----------------------------|--------------|---------|------------------|------------|-----------|-------------------|-------|
| (i) MSME                    |              |         |                  |            |           |                   |       |
| (ii) Others                 |              | 34      | 53               |            |           |                   | 87    |
| (iii) Disputed Dues - MSME  |              |         |                  |            |           |                   |       |
| (iv) Disputed Dues - Others |              |         |                  |            |           |                   |       |

As at 31 March 2022 - Related parties

| Particulars                 | Unbilled due | Not due | Less than 1 Year | 1- 2 years | 2-3 Years | More than 3 years | Total |
|-----------------------------|--------------|---------|------------------|------------|-----------|-------------------|-------|
| (i) MSME                    |              |         |                  |            |           |                   |       |
| (ii) Others                 |              |         | 3                |            |           |                   | 3     |
| (iii) Disputed Dues - MSME  |              |         |                  |            |           |                   |       |
| (iv) Disputed Dues - Others |              |         |                  |            |           |                   |       |



Southern Energy Development Corporation Limited

Notes forming part of the Standalone financial statements for the year ended 31st March 2023

Provisions - Current

Note No 14  
(Rupees in lakhs)

| Particulars                     | As at 31.03.2023 | As at 31.03.2022 |
|---------------------------------|------------------|------------------|
| Provision for employee benefits |                  |                  |
| Long-term Employee Benefits     | 16               | 16               |
| Other Provisions                | -                | -                |
| <b>Total Provisions</b>         | <b>16</b>        | <b>16</b>        |
|                                 |                  |                  |



Southern Energy Development Corporation Limited

Notes forming part of the Standalone financial statements for the year ended 31st March 2023

Other Current Liabilities

Note No 15  
(Rupees in lakhs)

| Particulars                    | As at      | As at      |
|--------------------------------|------------|------------|
|                                | 31.03.2023 | 31.03.2022 |
| Others                         |            |            |
| - Statutory liabilities        | 4          | 8          |
| <b>TOTAL OTHER LIABILITIES</b> | <b>4</b>   | <b>8</b>   |
|                                |            |            |



Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2023

Revenue from Operations

Note No 16  
(Rupees in lakhs)

| Particulars  | FY 2022-23   | FY 2021-22   |
|--|--------------|--------------|
| (a) Revenue from sale of energy, sale and service of solar power systems | 2,586        | 2,451        |
| (b) Other operating income   | 26           | 3            |
| <b>Total Revenue from Operations</b>                                     | <b>2,612</b> | <b>2,454</b> |

| (a) Revenue from Sales & Services                                  | FY 2022-23   | FY 2021-22   |
|--|--------------|--------------|
| (i) Revenue from Sale of Energy - generated from Natural Gas       | 2,270        | 2,391        |
| (ii) Revenue from Solar Power System Sale & AMC Income             | 196          | 32           |
| (iii) Revenue from Sale of Energy - Generated through Solar Energy | 120          | 28           |
| <b>Total Sales</b>   | <b>2,586</b> | <b>2,451</b> |

| (b) Other Operating Income | FY 2022-23 | FY 2021-22 |
|----------------------------|------------|------------|
| (i) Scrap Sale             | 26         | 3          |
| <b>Total</b>               | <b>26</b>  | <b>3</b>   |



Southern Energy Development Corporation Limited

Notes forming part of the Standalone financial statements for the year ended 31st March 2023

Other Income

Note No 17  
(Rupees in lakhs)

| Particulars                                | FY 2022-23 | FY 2021-22 |
|--|------------|------------|
| Dividend Income from long term investments | 86         | 73         |
| Dividend Income from Current Investments   | -          | -          |
| Interest income from banks                 | 2          | 5          |
| Insurance claims                           | 13         | 37         |
| <b>Total</b>                               | <b>101</b> | <b>115</b> |



**Southern Energy Development Corporation Limited**

**Notes forming part of the Standalone financial statements for the year ended 31st March 2023**

**Employee Benefits Expense**

**Note No 18  
(Rupees in lakhs)**

| <b>Particulars</b>                        | <b>FY 2022-23</b> | <b>FY 2021-22</b> |
|---|-------------------|-------------------|
| Salaries and wages, including bonus       | 126               | 98                |
| Contribution to provident and other funds | 24                | 21                |
| Staff welfare expenses                    | 8                 | 15                |
| <b>Total Employee Benefits Expense</b>    | <b>158</b>        | <b>134</b>        |



Southern Energy Development Corporation Limited

Notes forming part of the Standalone financial statements for the year ended 31st March 2023

Other Expenses

Note No 19  
(Rupees in lakhs)

| Particulars                            | FY 2022-23 | FY 2021-22 |
|--|------------|------------|
| Consumption of stores and spares       | 115        | 383        |
| Rates and taxes                        | 8          | 20         |
| Insurance                              | 13         | 10         |
| Repairs to :                           | -          | -          |
| - Buildings                            | 1          | 1          |
| - Machinery                            | 7          | 19         |
| - Others                               | 11         | 2          |
| Data Processing Charges                | 1          | 1          |
| Auditors' remuneration                 | 2          | 1          |
| Travel and Conveyance                  | 16         | 22         |
| Freight, delivery and shipping charges | 0          | 2          |
| Advertisement and publicity            | -          | 1          |
| Printing, stationery and communication | 1          | 1          |
| Corporate social responsibilities      | 17         | 12         |
| Professional fees                      | 57         | 112        |
| Loss on sale of Fixed assets           | -          | -          |
| Miscellaneous expenses                 | 4          | 8          |
| <b>Total Other Expenses</b>            | <b>253</b> | <b>595</b> |



**Southern Energy Development Corporation Limited**

Notes forming part of the Standalone financial statements for the year ended 31st March 2023

**Income tax recognised in profit or loss**

**Note No 20**  
**(Rupees in lakhs)**

|  | Year ended  |            |
|--|-------------|------------|
|  | 31.03.2023  | 31.03.2022 |
| Current tax  | -           | -          |
| In respect of the current year   | -           | 210        |
| In respect of the prior year   | -           | -          |
| Other (describe)   | -           | -          |
|  | -           | 210        |
| Deferred tax   |             |            |
| In respect of the current year   | (27)        | 26         |
| Adjustment to deferred tax attributable to changes in tax rates and laws | -           | -          |
|  | (27)        | 26         |
|  | -           | -          |
| <b>Total income tax recognised in the current year</b>                   | <b>(27)</b> | <b>236</b> |

**Income tax reconciliation**

|   |         |         |
|---|---------|---------|
| <b>Profit before tax</b>  | (466)   | 920     |
|   | -       | -       |
| Tax expenses reported during the year   | (27)    | 236     |
| Income tax expenses calculated at 25.168%   | -       | 232     |
| Difference  | (27)    | 4       |
|   | -       | -       |
| <b>Differential tax impact due to the following (tax benefits) / tax expenses</b>   |         |         |
| Dividend income - Section 80M Deduction   | -       | (18)    |
| Depreciation on leasehold building /Building revaluation  | -       | -       |
| Tax on Fair Market value of Shares acquired   | -       | 19      |
| Others - Corporate Social Responsibility  | -       | 3       |
| Others - Depreciation on Project I assets (permanent diff)  | (27)    | (6)     |
| Others  | -       | 7       |
|   | -       | -       |
| Total - Differential tax impact due to the following (tax benefits) / tax expenses  | (27)    | 4       |
|   | -       | -       |
| Income tax expenses recognised in profit or loss (relating to continuing operations)  | (27)    | 236     |
|   |         |         |
| The corporate tax rate including surcharge and education cess payable in India on taxable profits under the Indian tax laws | 25.168% | 25.168% |

**Income tax recognised in other comprehensive income**

|  |   |   |
|--|---|---|
| <b>Deferred tax</b>  | - | - |
| <b>Arising on income and expenses recognised in other comprehensive income</b> |   |   |
| Re-measurement of defined benefit obligation                                   | - | - |
| Net gain on designated portion of hedging instruments in cash flow hedges      | - | - |
|  |   |   |
| Bifurcation of the income tax recognised in other comprehensive income into    |   |   |
| Items that will not reclassified to profit or loss                             | - | - |
| Items that may be reclassified to profit or loss                               | - | - |





**Southern Energy Development Corporation Limited**

Notes forming part of the Standalone financial statements for the year ended 31st March 2023

**Related party disclosures****Note No 21**

Related party relationships as identified by the Management and relied upon by Auditors

**Holding company**

Carborundum Universal Ltd.

**Subsidiaries of holding company**

- a. CUMI America Inc., USA
- b. Net Access India Ltd.
- c. Sterling Abrasives Ltd
- d. CUMI Australia Pty Ltd., Australia
- e. CUMI International Limited, Cyprus
- f. CUMI Middle East FZE, Ras Al Khaimah, UAE
- g. OAO Volzhsky Abrasives Works, Russia
- h. Foskor Zirconia (Pty) Ltd, South Africa
- i. CUMI Abrasives & Ceramics Company Limited
- j. CUMI Europe S.R.O
- k. Pluss Advanced Technologies Private Limited
- l. CUMI Awuko Abrasives GmbH, Germany
- m. Rhodius Abrasives GmbH, Germany.

**Joint Ventures of holding company**

- a. Murugappa Morgan Thermal Ceramics Ltd
- b. Ciria India Ltd.

**Associate of holding company**

- a. Wendt (India) Ltd
- b. Wendt Grinding Technologies Limited, Thailand
- c. Wendt (Middle East) FZE

**Transactions with related party - Holding Company****(Rupees in lakhs)**

| Particulars              | During the year ended<br>31.03.2023 | During the year ended<br>31.03.2022 |
|--------------------------|-------------------------------------|-------------------------------------|
| Income from energy sales | 1,794                               | 1,943                               |
| Dividend income          | 86                                  | 73                                  |
| Dividend paid            | -                                   | 195                                 |
| Management Fees          | 4                                   | 40                                  |
| Payables                 | 2                                   | 3                                   |
| Receivables              | 144                                 | 180                                 |



## Southern Energy Development Corporation Limited

Notes forming part of the Standalone financial statements for the year ended 31st March 2023

(Rupees in lakhs)

|           | Particulars   | FY 2022-23 | FY 2021-22 |
|-----------|---|------------|------------|
| <b>22</b> | <b>Contingent liabilities and capital commitments</b>   |            |            |
| <b>I</b>  | <b>Contingent liabilities</b>   |            |            |
|           | (i) Income Tax Act 1961 – Assistant Commissioner of Income tax – Assessment Year 2010-11 – Rectification petition filed.  | 21         | 21         |
|           | (ii) Income Tax Act 1961 – Commissioner of Income tax appeals – Assessment Year 2011-12   | 6          | 6          |
|           | <b>Claims against the Company not acknowledged as debt</b>  |            |            |
| a.        | Electricity Tax on consumption & duty on generation demanded by TNEB<br>Less: Amount of Rs. 116.80 lakhs deposited in the High court.   | 350        | 350        |
| b.        | Power generated and used for captive purpose was exempted from electricity tax by Tamilnadu Government vide GOs between 2008-10 and SEDCO had availed this exemption. However, the Electricity authority vide letter dated 21.01.2014 has demanded electricity tax of Rs.88.48 lakhs & interest of Rs. 43.83 lakhs claiming that the said exemption is not applicable to SEDCO. The company, being a captive power generating unit, is of the view that it is entitled to this electricity tax exemption and has appealed to the Tamilnadu Government against this TNEB demand. The Govt. rejected the appeal vide letter dt.23.10.15. SEDCO filed a Writ petition in the High Court of Madras on 21.12.2015 and as per the directions 50% of the disputed Tax amount of Rs. 44.24 lakhs has been remitted. | 132        | 132        |
| <b>II</b> | <b>Capital commitments</b>  |            |            |
|           | Estimated amount of contracts remaining to be executed on capital account and not provided for  | 1          | 67         |
| <b>23</b> | <b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>   |            |            |
|           | There are no overdue amounts / interest payable to Micro and Small Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006 at the Balance Sheet date.  | -          | -          |
| <b>24</b> | <b>Employee benefits</b>  |            |            |
|           | <b>A. GRATUITY</b>  |            |            |
| a.        | Contribution to Superannuation fund are funded with Life Insurance Corporation of India. 15% of the basic salary of each confirmed employee is remitted to LIC on the instructions of the Holding company, which holds and manages the master policy / scheme.  | 5          | 4          |



## Southern Energy Development Corporation Limited

Notes forming part of the Standalone financial statements for the year ended 31st March 2023

(Rupees in lakhs)

|   | Particulars  | FY 2022-23                          | FY 2021-22                          |
|---|--|-------------------------------------|-------------------------------------|
| b | The details of actuarial valuation in respect of gratuity liability in respect of the company are given below: |                                     |                                     |
|   | <b>Ind AS 19</b>   | <b>Projected Unit Credit Method</b> | <b>Projected Unit Credit Method</b> |
|   | <b>Period Covered</b>  | <b>FY 2022-23</b>                   | <b>FY 2021-22</b>                   |
|   | <b>Change in defined benefit obligation</b>  | <b>31-03-2023</b>                   | <b>31-03-2022</b>                   |
|   | Defined benefit obligation at beginning of period  | 33                                  | 31                                  |
|   | Service cost   | 3                                   | 3                                   |
|   | b. Past service cost   | -                                   | -                                   |
|   | c. (Gain) / loss on settlements  | 0                                   | 1                                   |
|   | Interest expenses  | 2                                   | 2                                   |
|   | <b>Cash flows</b>  |                                     |                                     |
|   | a. Benefit payments from plan  | -                                   | (4)                                 |
|   | b. Benefit payments from employer  | -                                   | -                                   |
|   | c. Settlement payments from plan   | -                                   | -                                   |
|   | d. Settlement payments from employer   | -                                   | -                                   |
|   | <b>Remeasurements</b>  |                                     |                                     |
|   | a. Effect of changes in demographic assumptions  | -                                   | -                                   |
|   | b. Effect of changes in financial assumptions  | -                                   | -                                   |
|   | c. Effect of experience adjustments  | -                                   | -                                   |
|   | Transfer In /Out   | -                                   | -                                   |
|   | a. Transfer In   | -                                   | -                                   |
|   | b. Transfer out  | -                                   | -                                   |
|   | <b>Defined benefit obligation at end of period</b>   | <b>39</b>                           | <b>33</b>                           |
|   | <b>Change in fair value of plan assets</b>   | <b>31-03-2023</b>                   | <b>31-03-2022</b>                   |
|   | Fair value of plan assets at beginning of period   | 2                                   | 1                                   |
|   | Interest income  | 0                                   | 0                                   |
|   | <b>Cash flows</b>  |                                     |                                     |
|   | a. Total employer contributions  |                                     |                                     |
|   | (i) Employer contributions   | 5                                   | 4                                   |
|   | (ii) Employer direct benefit payments  | -                                   | -                                   |
|   | (iii) Employer direct settlement payments  | -                                   | -                                   |
|   | b. Participant contributions   | -                                   | -                                   |
|   | c. Benefit payments from plan assets   | 1                                   | (4)                                 |
|   | d. Benefit payments from employer  | -                                   | -                                   |
|   | e. Adjustments to opening assets   | -                                   | -                                   |
|   | f. Settlement payments from employer   | -                                   | -                                   |
|   | <b>Remeasurements</b>  |                                     |                                     |
|   | a. Return on plan assets (excluding interest income)   | -                                   | -                                   |
|   | Transfer In /Out   | -                                   | -                                   |
|   | a. Transfer In   | (0)                                 | -                                   |
|   | b. Transfer out  | -                                   | -                                   |
|   | <b>Fair value of plan assets at end of period</b>  | <b>7</b>                            | <b>2</b>                            |
|   | <b>Amounts recognized in the statement of financial position</b>   | <b>31-03-2023</b>                   | <b>31-03-2022</b>                   |
|   | Defined benefit obligation   | 39                                  | 33                                  |
|   | Fair value of plan assets  | (7)                                 | (2)                                 |
|   | Funded status  | 32                                  | 31                                  |
|   | Effect of asset ceiling  | -                                   | -                                   |
|   | <b>Net defined benefit liability (asset)</b>   | <b>32</b>                           | <b>31</b>                           |



Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2023

(Rupees in lakhs)

|    | Particulars  | FY 2022-23        | FY 2021-22        |
|----|--|-------------------|-------------------|
|    |  | 31-03-2023        | 31-03-2022        |
|    | <b>Components of defined benefit cost</b>  |                   |                   |
|    | Service cost   |                   |                   |
|    | a. Current service cost  | 3                 | 3                 |
|    | b. Past service cost   | -                 | -                 |
|    | c. (Gain) / loss on settlements  | -                 | -                 |
|    | Total service cost   | 3                 | 3                 |
|    | Net interest cost  | 2                 | -                 |
|    | a. Interest expense on DBO   | -                 | -                 |
|    | b. Interest (income) on plan assets  | -                 | -                 |
|    | c. Interest expense on effect of (asset ceiling)   | -                 | -                 |
|    | d. Total net interest cost   | 2                 | -                 |
|    | <b>Remeasurements (recognized in other comprehensive income)</b>   |                   |                   |
|    | a. Effect of changes in demographic assumptions  | -                 | -                 |
|    | b. Effect of changes in financial assumptions  | -                 | -                 |
|    | c. Effect of experience adjustments  | -                 | -                 |
|    | d. (Return) on plan assets (excluding interest income)   | -                 | -                 |
|    | e. Changes in asset ceiling (excluding interest income)  | -                 | -                 |
|    | f. Total remeasurements included in OCI  | -                 | -                 |
|    | <b>Total defined benefit cost recognized in P&amp;L and OCI</b>  | <b>5</b>          | <b>5</b>          |
|    | <b>Re-measurement</b>  | <b>31-03-2023</b> | <b>31-03-2022</b> |
|    | a. Actuarial Loss/(Gain) on DBO  | 0                 | 1                 |
|    | b. Returns above Interest Income   | 0                 | 0                 |
|    | c. Change in Asset ceiling   | -                 | -                 |
|    | Total Re-measurements (OCI)  | 0                 | 1                 |
|    | <b>Employer Expense (P&amp;L)</b>  | <b>31-03-2023</b> | <b>31-03-2022</b> |
|    | a. Current Service Cost  | 3                 | 3                 |
|    | b. Interest Cost on net DBO  | 2                 | 2                 |
|    | c. Past Service Cost   | -                 | -                 |
|    | d. Total P&L Expenses  | 5                 | 6                 |
|    | Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation is given below:                                 |                   |                   |
|    | <b>Particulars</b>   | <b>31-03-2023</b> | <b>31-03-2022</b> |
|    | Discount rate - 100 basis point higher   | (35)              | (30)              |
|    | Discount rate - 100 basis point lower  | 44                | 38                |
|    | Salary escalation rate - 100 basis point higher  | 43                | 38                |
|    | Salary escalation rate - 100 basis point lower   | (35)              | (30)              |
|    | <b>Assumptions :</b>   |                   |                   |
|    | Interest / Discount Rate   | 7.23%             | 7.37%             |
|    | Expected Salary Escalation   | 10%               | 10%               |
| c  | <b>Provident fund</b>  |                   |                   |
|    | This scheme is managed by the Regional Provident Fund Commissioner.  | 6                 | 6                 |
|    | <b>B. LEAVE ENCASHMENT</b>   |                   |                   |
|    | Non-funded leave encashment provided for management staff as per the company policy  |                   |                   |
|    | The details of actuarial valuation in respect of leave liability in respect of the company are given below:  | <b>31-03-2023</b> | <b>31-03-2022</b> |
|    | <b>Change in Defined Benefit Obligation</b>  |                   |                   |
|    | Defined Benefit Obligation at the beginning of the year  | 16                | 8                 |
|    | Service Cost   | 2                 | 1                 |
|    | Interest Cost  | 1                 | 1                 |
|    | Benefits paid by Employer  | 1                 | 4                 |
|    | Actuarial (Gain)/ Loss   | (2)               | 10                |
|    | Defined Benefit Obligation at the end of the year  | <b>16</b>         | <b>16</b>         |
|    | <b>Change in Fair Value of Assets</b>  |                   |                   |
|    | <b>Net Defined Benefit Asset / (Liability)</b>   |                   |                   |
|    | Defined Benefit Obligations  | -                 | -                 |
|    | Fair Value of Plan Assets  | -                 | -                 |
|    | (Surplus) / Deficit  | -                 | -                 |
|    | Net Defined Benefit Liability / (Asset)  | -                 | -                 |
|    | <b>Amount Recognised in Profit and Loss Account</b>  |                   |                   |
|    | Net defined benefit Liability / (Asset) at prior period end  | 16                | 8                 |
|    | Defined Benefit Cost included in P & L   | 1                 | 11                |
|    | Direct benefit payments made by Employer   | 1                 | 4                 |
|    | Net defined benefit Liability / (Asset) at end of period   | <b>16</b>         | <b>16</b>         |
| 25 | <b>Segmental Disclosure</b>  |                   |                   |
|    | The Company operates in one segment and is in the business of energy / electricity sales generated from Natural gas and solar energy and sale of solar modules |                   |                   |



Southern Energy Development Corporation Limited

Notes forming part of the Standalone financial statements for the year ended 31st March 2023

(Rupees in lakhs)

|    | Particulars                       | FY 2022-23  | FY 2021-22  |
|----|-----------------------------------|-------------|-------------|
| 26 | a.Value of imports on CIF basis   | -           | 140.15      |
|    | b.Expenditure in foreign currency | 0.57        | 0.49        |
| 27 | Auditors' remuneration            |             |             |
|    | For Statutory audit               | 1.25        | 1.25        |
|    | For Tax audit                     | 0.20        | 0.20        |
|    | <b>Total</b>                      | <b>1.45</b> | <b>1.45</b> |



**Southern Energy Development Corporation Limited**

**Notes forming part of the Standalone financial statements for the year ended 31st March 2023**

**Notes to Earnings per Share (EPS)**

**Note No.28**  
**(Rupees in lakhs)**

There are no potential equity shares. Hence, the basic and diluted EPS are the same

| <b>Particulars</b>   | <b>FY 2022-23</b> | <b>FY 2021-22</b> |
|--|-------------------|-------------------|
| Net profit for the year  | (439)             | 685               |
| Weighted average number of equity shares outstanding during the year | 4,60,008          | 4,60,008          |
| Earnings per share - Basic and Diluted (in Rs.)                      | (95.42)           | 148.85            |
| Number of equity shares at the beginning of the year                 | 4,60,008          | 4,60,008          |
| No. of equity shares at the end of the year                          | 4,60,008          | 4,60,008          |



**Southern Energy Development Corporation Limited**  
**Notes forming part of the Standalone financial statements for the year ended 31st March 2023**

**Note No.29**  
**(Rupees in lakhs)**

**Financial Instruments**

**(i) Capital management**

The Company's capital management is intended to maximise the return to shareholders and benefits for other stakeholders for meeting the long-term and short-term goals of the Company; and reduce the cost of capital through the optimization of the capital structure i.e. the debt and equity balance.

For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity shareholders of the Company. Net debt long-term and short-term borrowings (excluding derivatives and financial guarantee contracts) including current maturities of long-term borrowings and current maturities of finance obligations as reduced by cash and cash equivalents.

**(ii) Categories of financial instruments**

|   | As at      |            |
|---|------------|------------|
|   | 31.03.2023 | 31.03.2022 |
| <b>Financial assets</b>   |            |            |
| <b>Measured at fair value through profit or loss (FVTPL)</b>              |            |            |
| (a) Mandatorily measured:   |            |            |
| (i) Equity investments  | 0          | 0          |
| (ii) Derivative instruments designated in hedge accounting relationship   |            |            |
| <b>Measured at fair value through Other comprehensive income (FVTOCI)</b> |            |            |
| (i) Equity investments  | 24,770     | 20,167     |
| <b>Measured at amortised cost</b>   |            |            |
| (a) Cash and bank balances  | 111        | 509        |
| (b) Other financial assets at amortised cost                              | 199        | 230        |

**Liquidity risk management**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligation when due. Due to dynamic nature of underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note below sets out details of additional undrawn facilities that the company has at its disposal to further reduce liquidity risk.



Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2023

Note No.29

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2023:

| Particulars                              | Carrying amount | upto 1 year | 1-3 years | 3-5 years | More than 5 years | Total contracted cash flows |
|--|-----------------|-------------|-----------|-----------|-------------------|-----------------------------|
| <b>Non-current financial liabilities</b> |                 |             |           |           |                   |                             |
| Borrowings and interest thereon          | -               | -           | -         | -         | -                 | -                           |
| Finance lease liability                  | -               | -           | -         | -         | -                 | -                           |
| <b>Current financial liabilities</b>     |                 |             |           |           |                   |                             |
| Borrowings and interest thereon          | 196             | 196         | -         | -         | -                 | 196                         |
| Trade payables                           | -               | -           | -         | -         | -                 | -                           |
| Finance lease liability                  | 4               | 4           | -         | -         | -                 | 4                           |
| Other financial liabilities              | -               | -           | -         | -         | -                 | -                           |

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2022:

| Particulars                              | Carrying amount | upto 1 year | 1-3 years | 3-5 years | More than 5 years | Total contracted cash flows |
|--|-----------------|-------------|-----------|-----------|-------------------|-----------------------------|
| <b>Non-current financial liabilities</b> |                 |             |           |           |                   |                             |
| Borrowings and interest thereon          | -               | -           | -         | -         | -                 | -                           |
| Finance lease liability                  | -               | -           | -         | -         | -                 | -                           |
| <b>Current financial liabilities</b>     |                 |             |           |           |                   |                             |
| Borrowings and interest thereon          | 111             | 111         | -         | -         | -                 | 111                         |
| Trade payables                           | -               | -           | -         | -         | -                 | -                           |
| Finance lease liability                  | 8               | 8           | -         | -         | -                 | 8                           |
| Other financial liabilities              | -               | -           | -         | -         | -                 | -                           |

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts (if any) as at 31 March 2023:

| Particulars                         | Carrying amount | upto 1 year | 1-3 years | 3-5 years | More than 5 years | Total contracted cash flows |
|-------------------------------------|-----------------|-------------|-----------|-----------|-------------------|-----------------------------|
| <b>Non-current financial assets</b> |                 |             |           |           |                   |                             |
| Other financial assets              | 0               | -           | -         | -         | 0                 | 0                           |
| <b>Current financial assets</b>     |                 |             |           |           |                   |                             |
| Trade receivables                   | 198             | 198         | -         | -         | -                 | 198                         |
| Advance to employees                | 1               | 1           | -         | -         | -                 | 1                           |
| Inter corporate deposits            | -               | -           | -         | -         | -                 | -                           |
| Other financial assets              | -               | -           | -         | -         | -                 | -                           |



**Southern Energy Development Corporation Limited**  
**Notes forming part of the Standalone financial statements for the year ended 31st March 2023**

Note No.29

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts (if any) as at 31 March 2022:

| Particulars                         | Carrying amount | upto 1 year | 1-3 years | 3-5 years | More than 5 years | Total contracted cash flows |
|-------------------------------------|-----------------|-------------|-----------|-----------|-------------------|-----------------------------|
| <b>Non-current financial assets</b> |                 |             |           |           |                   |                             |
| Other financial assets              | 0               | -           | -         | -         | 0                 | 0                           |
| <b>Current financial assets</b>     |                 |             |           |           |                   |                             |
| Trade receivables                   | 230             | 230         | -         | -         | -                 | 230                         |
| Advance to employees                | 0               | 0           | -         | -         | -                 | 0                           |
| Inter corporate deposits            | -               | -           | -         | -         | -                 | -                           |
| Other financial assets              | -               | -           | -         | -         | -                 | -                           |

**Fair value measurements**

This note provides information about how the company determines fair value of various financial assets and financial liabilities.

Fair value of the company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

| Financial assets/financial liabilities                                | Fair Value as at |            | Fair value hierarchy | Valuation Techniques & key inputs used                  |
|---|------------------|------------|----------------------|---|
|   | As at            | As at      |                      |   |
|   | 31.03.2023       | 31.03.2022 |                      |   |
| Investments in quoted equity instruments in holding company at FVTOCI | 24,142           | 19,539     | Level 1              | Quoted bid price in an Active Market (refer note below) |
| Investments in unquoted equity instruments at FVTOCI                  | 628              | 628        |                      |   |
| Investments in unquoted instruments at FVTPL                          | 0                | 0          | level 3              | FVTOCI  |

Note 1: These investments in equity instruments are not for trading. Instead, they are held for long term strategic purpose. Upon the application of IND AS 109, the company has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe that this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss.

There were no transfers between Level 1 and 2 in the period.



Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2023

Note No.29

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

| Particulars  | Fair value hierarchy | 31.03.2023      |            | 31.03.2022      |            |
|--|----------------------|-----------------|------------|-----------------|------------|
|  |                      | Carrying amount | Fair value | Carrying amount | Fair value |
| <b>Financial assets at amortised cost:</b>           |                      |                 |            |                 |            |
| <b>Non-current financial assets</b>                  |                      |                 |            |                 |            |
| <b>Other financial assets</b>                        |                      |                 |            |                 |            |
| Other deposit  | Level 3              | 0               | 0          | 0               | 0          |
| <b>Current financial assets</b>                      |                      |                 |            |                 |            |
| Trade receivables                                    | Level 2              | 198             | 198        | 230             | 230        |
| Other financial assets                               | Level 3              | 1               | 1          | 0               | 0          |
| Advances to employees                                | Level 3              | -               | -          | -               | -          |
| Inter- corporate deposit                             | Level 3              | -               | -          | -               | -          |
| Other advances                                       | Level 3              | -               | -          | -               | -          |
| <b>Financial liabilities held at amortised cost:</b> |                      |                 |            |                 |            |
| <b>Non-current financial liabilities</b>             |                      |                 |            |                 |            |
| Borrowings and interest thereon                      | Level 3              | -               | -          | -               | -          |
| Finance lease and interest thereon                   | Level 2              | -               | -          | -               | -          |
| <b>Current financial liabilities</b>                 |                      |                 |            |                 |            |
| Borrowings and interest thereon                      | Level 3              | -               | -          | -               | -          |
| Trade payables                                       | Level 2              | 196             | 196        | 111             | 111        |
| Others financial liabilities                         |                      | -               | -          | -               | -          |
| Finance lease and interest thereon                   | Level 2              | -               | -          | -               | -          |
| Others financial liabilities                         | Level 3              | 4               | 4          | 8               | 8          |

The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.



**Corporate Social Responsibility (CSR)****Note No.30**  
**(Rupees in lakhs)**

During the year, the Company incurred an aggregate amount of Rs.16.71 lakhs (Previous Year Rs.12.40 lakhs) towards Corporate Social Responsibility against Rs. 16.71 lakhs to be spent (Previous year: Rs. 12.19 lakhs) as per provision of Section 135 of the Companies Act, 2013 read with relevant schedule and rules

| Particulars   | FY 2022-23 | FY 2021-22 |
|---|------------|------------|
| <b>A. Expenditure incurred directly by the Company:</b> |            |            |
| Rural Development - Nallur Village Panchayat            | 0          | 1          |
| Rural Development - Solar Lights/Street Lights          | 17         | 7          |
| Rural Development - Nallur School Development           |            | 4          |
| <b>Total CSR Expenditure</b>                            | <b>17</b>  | <b>12</b>  |





Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2023

Note 31

RATIOS

| S.No | RATIOS                          | Description   |                             | 2022-23 Amount  | 2021-22 Amount | 2022-23 | 2021-22 | Favourable / (Adverse) in % | REMARKS  |
|------|---------------------------------|---|-----------------------------|-----------------|----------------|---------|---------|-----------------------------|--|
|      |                                 |   |                             |                 |                |         |         |                             |  |
| 1    | Current Ratio                   | Current Assets  | Current Liabilities         | 383<br>216      | 885<br>135     | 1.77    | 6.57    | (73.09)                     | Drop in Current Ratio on account of (i) withdrawal of fixed deposits to fund operating losses and (ii) increase in liabilities for natural gas purchases.              |
| 2    | Debt Equity Ratio               |   |                             | NA              | NA             | NA      | NA      |                             |  |
| 3    | Debt Service Coverage Ratio     |   |                             | NA              | NA             | NA      | NA      |                             |  |
| 4    | Return on Equity Ratio          | PAT   | Net worth                   | (439)<br>24,074 | 685<br>17,987  | -2%     | 4%      | (147.89)                    | Drop in profitability due to higher input cost of natural gas.   |
| 5    | Inventory Turnover Ratio        |   |                             |                 |                | NA      | NA      |                             |  |
| 6    | Trade Receivable Turnover Ratio | Net Sales   | Average Accounts Receivable | 2,587<br>214    | 2,452<br>247   | 12.09   | 9.91    | 22.04                       | Increase on account of Sales of solar power equipment and better receivables management.   |
| 7    | Trade Payables Turnover Ratio   | Cost of Materials Consumed  | Average Accounts Payable    | 2,721<br>96     | 906<br>70      | 28.20   | 12.95   | 117.81                      | Increase in input costs of natural gas.  |
| 8    | Net Capital Turnover Ratio      | Net Sales   | Working Capital             | 2,587<br>55     | 2,452<br>241   | 46.96   | 10.17   | 361.96                      | Working Capital reduction due to increase in amount payable to ONGC (due to gas price increase). Reduction in other current assets due to better receivable management |
| 9    | Net Profit Ratio                | Net Sales   | Profit after tax            | 2,587<br>(439)  | 2,452<br>685   | -16.97% | 27.93%  | (160.75)                    | Drop in profitability on account of increase in natural gas price  |
| 10   | Return on Capital Employed      | EBITDA  | Capital Employed            | (419)<br>25,870 | 934<br>21,733  | -2%     | 4%      | (137.67)                    | Drop in profitability on account of increase in natural gas price and higher OCI on valuation of investments in equity shares in the holding company.                  |
| 11   | Return on Investment            | Return on Investment : (FMV as on closing date - FMV as on Opening date - Outflow + Dividend) / (opening FMV + Outflow) |                             | 24856<br>20167  | 7652<br>12608  | 123.25  | 60.53   | 103.62                      | Increase in fair market value of investment in equity shares of holding company.   |

Explanatory Notes :

Average Accounts Receivable : Average of (Opening Receivables plus Closing Receivables)  
Average Accounts Payable : Average of (Opening Payables plus Closing Payables)  
Working Capital : Current Assets - Current Liabilities  
EBITDA : (Earnings Before Interest Depreciation Tax and Amortisation)  
Capital Employed : Tangible Networth +/- Deferred Tax

**Southern Energy Development Corporation Limited**  
**Notes forming part of the Standalone financial statements for the year ended 31st March, 2023**

|    |  |
|----|--|
| 32 | <b>Changes in Accounting Policy</b><br>There are no changes to the Accounting policies of the company in comparison to that in the previous year.  |
| 33 | <b>Financial impact of Covid-19 lockdown for the financial year under review and events after the reporting period</b><br>The Management is of the view that there has been no significant impact in the operations from the economic disruption caused by the Covid -19 and there has been no significant event relating to COVID-19 that requires reporting during the financial year 2022-23. The Company continues to monitor the economic effects of the pandemic and its likely future impact on the business. |
| 34 | <b>Transactions with struck off Companies</b><br>The Company has no transactions with the Companies struck off under Companies Act, 2013 or Companies Act 1956.  |
| 35 | <b>Wilful Defaulter</b><br>The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority in the current year and previous year.  |
| 36 | <b>Transactions in Crypto Currency or Virtual Currency</b><br>The Company has not traded or invested in crypto currency or virtual currency during the current year and previous year.   |
| 37 | <b>Details of Benami Property Held</b><br>No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.   |
| 38 | <b>Undisclosed income</b><br>There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.  |
| 39 | <b>Registration of charges or satisfaction with Registrar of Companies (ROC)</b><br>This clause is not applicable to this company as the company has no borrowings.  |
| 40 | <b>Compliance with number of layers of companies</b><br>This clause is not applicable to this company as the company has no subsidiaries.  |
| 41 | <b>General</b>   |
| a. | The company has entered into an agreement with its consumers, who are Carborundum Universal Limited (CUMI) group companies, for the period of the agreement with ONGC, based on which energy is billed to its consumers at the rate charged by Tamil Nadu Electricity Board to these consumers.  |
| b. | The company has also entered into Solar power sale agreement with group companies for a period of 24 years based on the estimated useful life of the Solar power asset.  |
| c. | Based on the nature of the business of the Company and the normal time between the acquisition of assets and their realisation in cash and cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.   |

In terms of our report attached


**For Jagannathan & Sarabeswaran**  
Chartered Accountants

FRN 0912045

  
**Vivek Sarabeswaran**  
Partner  
M No : 206383

**For Southern Energy Development Corporation Limited**

  
**Nair Nandkumar**  
Director  
08660881

  
**K. Raghunandan**  
Director  
01204396

Chennai  
Date: 13/04/2023

