

Southern Energy Development Corporation Limited  
Balance Sheet as on 31st March 2021  
(in Indian Rupees )

Particulars		Note No.	As at 31.03.2021	As at 31.03.2020
A	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	1	1,01,86,613	14,68,143
	(b) Capital work-in-progress	1	78,000	78,000
	(c) Other Intangible assets		-	-
	(d) Financial Assets			
	(i) Investments	2	1,26,06,84,775	54,37,31,635
	(ii) Other Financial Assets	3	4,638	54,638
	(e) Deferred tax assets (net)	4	2,85,34,583	2,98,72,734
	(f) Other non-current assets	5	2,09,05,514	87,19,852
	<b>Total Non - Current Assets</b>		<b>1,32,03,94,123</b>	<b>58,39,25,002</b>
2	<b>Current assets</b>			
	(a) Inventories	6	41,01,538	40,83,938
	(b) Financial Assets			
	(i) Investments	2	-	5,41,05,971
	(ii) Trade receivables	7	2,64,94,775	1,91,77,272
	(iii) Cash and cash equivalents	8	5,76,56,572	26,68,378
	(iv) Other Financial assets	9	39,000	40,000
	(c) Other current assets	10	24,64,048	28,08,282
	<b>Total Current Assets</b>		<b>9,07,55,933</b>	<b>8,28,83,841</b>
	<b>Total Assets (1+2)</b>		<b>1,41,11,50,056</b>	<b>66,68,08,843</b>
B	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	(a) Share capital	11	46,00,080	46,00,080
	(b) Other Equity	11a	1,39,35,36,300	65,13,32,553
	<b>Total equity attributable to owners of the Company</b>		<b>1,39,81,36,380</b>	<b>65,59,32,633</b>
	<b>LIABILITIES</b>			
2	<b>Non-current liabilities</b>			
	(a) Provisions	12	26,47,512	14,82,493
	<b>Total Non - Current Liabilities</b>		<b>26,47,512</b>	<b>14,82,493</b>
3	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	13	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	13	88,97,385	79,85,750
	(b) Provisions	14	11,86,265	12,41,724
	(c) Other current liabilities	15	2,82,514	1,66,243
	<b>Total Current Liabilities</b>		<b>1,03,66,164</b>	<b>93,93,717</b>
	<b>Total Equity and Liabilities (1+2+3)</b>		<b>1,41,11,50,056</b>	<b>66,68,08,843</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

For Southern Energy Development Corporation Limited

M. Muthiah

Director

K. Raghunandan

Director

Place : Chennai

Date: 16/04/2021



**Southern Energy Development Corporation Limited**  
**Statement of Profit and Loss for the financial year ended March 31,2021**  
(in Indian Rupees )


Particulars	Note No.	FY 2020-21	FY 2019-20
I Revenue from operations	16	22,92,29,972	25,54,73,789
II Other Income	17	50,10,598	1,09,76,422
III <b>Total Revenue (I + II )</b>		<b>23,42,40,570</b>	<b>26,64,50,211</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed		8,02,98,848	12,00,84,943
(b) Employee benefits expense	18	1,24,12,581	1,14,24,252
(c) Depreciation and amortisation expense	1	1,95,785	3,35,95,768
(d) Other expenses	19	3,79,60,879	2,54,30,835
<b>Total Expenses</b>		<b>13,08,68,093</b>	<b>19,05,35,798</b>
V <b>Profit/(loss) before tax (III- IV)</b>		<b>10,33,72,477</b>	<b>7,59,14,413</b>
<b>VI Tax Expense</b>			
(1) Current tax	20	2,25,00,000	2,40,00,000
(2) Deferred tax	20	13,38,151	(29,92,700)
<b>Total tax expense</b>		<b>2,38,38,151</b>	<b>2,10,07,300</b>
VII <b>Profit/(loss) for the period</b>		<b>7,95,34,326</b>	<b>5,49,07,113</b>
VIII <b>Other comprehensive income</b>		70,40,70,141	(46,17,04,508)
A (i) Items that will not be recycled to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		(86,359)	(3,90,154)
(b) Equity instruments through other comprehensive income		70,41,56,500	(46,13,14,354)
(ii) Income tax on items that may be reclassified to profit or loss			
IX <b>Total comprehensive income for the period (VII+VIII)</b>		<b>78,36,04,467</b>	<b>(40,67,97,395)</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: 16/04/2021

**For Southern Energy Development Corporation Limited**

  
M. Muthiah

Director



K. Raghunandan

Director



Southern Energy Development Corporation Limited  
Cash flow statement for the year ended March 31, 2021  
(in Indian Rupees)

Particulars	FY 2020-21		FY 2019-20	
Profit before tax		10,33,72,477		7,59,14,413
Adjustment for :				
Depreciation and amortisation	1,95,785		3,35,95,768	
Interest income	(9,10,672)		-	
Profit on sale of Investment	(7,585)		-	
Dividend income	(40,92,341)		(1,09,76,422)	
Loss/(profit) on sale of assets (net)	-		-	
		(48,14,813)		2,26,19,347
Operating profit before working capital changes		9,85,57,664		9,85,33,760
Movement in working capital				
(Increase)/decrease in trade receivables	(73,17,503)		36,48,064	
(Increase)/decrease in Inventories	(17,600)		(4,73,330)	
(Increase)/decrease in Other financial asset	51,000		31,613	
(Increase)/decrease in Other assets	(86,393)		34,69,683	
Increase/(decrease) in Trade payables	8,25,276		(12,571)	
Increase/(decrease) in Provision & other current liabilities	12,25,830		(7,03,115)	
Increase/(decrease) in Other financial liabilities	-	(53,19,390)	-	59,60,345
Cash generated from Operations		9,32,38,274		10,44,94,105
Income tax paid		(2,01,00,000)		(2,20,00,000)
Net cash generated by Operating activities		7,31,38,274		8,24,94,105
Cash flow from investing activities				
Payments to acquire fixed asset	(2,30,69,291)		(5,58,783)	
Proceeds from Sale of Investments	7,585		-	
Proceeds / (Purchase) of Non- Current Investments	(1,27,96,640)		-	
Interest income received	9,10,672		-	
Dividend income received	40,92,341		1,09,76,422	
Net cash (used In)/generated by Investing activities		(3,08,55,333)		1,04,17,639
Cash flow from financing activities				
Dividend paid to Shareholder (including tax)	(4,14,00,720)		(5,21,30,323)	
Net cash used In Financing activities		(4,14,00,720)		(5,21,30,323)
Net increase/(decrease) in cash and cash equivalents [A]+[B]+[C]		8,82,222		4,07,81,420
Add : Cash and Cash equivalent at the beginning of the year		5,67,74,349		1,59,92,928
Cash and Cash equivalent at the end of the year		5,76,56,571		5,67,74,349
Reconciliation of Cash and cash equivalents with the Balance Sheet :				
Cash and cash equivalents at the beginning of the year				
Cash and cash equivalents		26,68,378		7,77,423
Current investment considered as Cash and Cash equivalents		5,41,05,971		1,52,15,505
		5,67,74,349		1,59,92,928
Cash and cash equivalents at the end of the year				
Cash and cash equivalents		5,76,56,572		26,68,378
Current investment considered as Cash and Cash equivalents		-		5,41,05,971
		5,76,56,572		5,67,74,349

The accompanying notes form an integral part of the Financial Statements

For Jagannathan & Sarabeswaran  
Chartered Accountants  
FRN 0012045

Vivek Sarabeswaran  
Partner  
Membership No: 206383

For Southern Energy Development Corporation Limited

M. Muthiah  
Director

K. Raghunandan  
Director

Place : Chennai  
Date: 16/04/2021



## **SOUTHERN ENERGY DEVELOPMENT CORPORATION LIMITED**

**Notes forming part of the Financial Statements for the year ended March 31, 2021**

### **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) and 234 KW Solar Power Plant located at Oonaiyur, Thirumayam (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, while energy is transferred directly to customer grid from its Oonaiyur 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;



## **SOUTHERN ENERGY DEVELOPMENT CORPORATION LIMITED**

**Notes forming part of the Financial Statements for the year ended March 31, 2021**

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

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, as a consequence, 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 as entire receivables pertain to billing on group companies and 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, 2021**

### **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**

Energy sales of Nallur Plant is accounted for the 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 to respective customers in line with credit given by TANGEDCO.

Energy sales from Solar Plant is recognized when electricity is 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 agreements.

Revenue on sale and service of solar power systems is recognized on sale and installation of Solar Power Systems in customer premises as per agreed billing terms and rates and on transferring to the buyer the control of product, its risks and ownership.

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

### **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.



## **SOUTHERN ENERGY DEVELOPMENT CORPORATION LIMITED**

### **Notes forming part of the Financial Statements for the year ended March 31, 2021**

#### **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, 2021**

**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

						As at	As at
Carrying Amount of:						31.3.2021	31.3.2020
Freehold land						13,39,715	13,39,715
Buildings						0	-
Plant and equipment						88,46,898	1,28,427
Furniture and fittings						(0)	0
Vehicles						-	-
Vehicle under finance lease						-	-
Capital work-in-progress						1,01,86,613	14,68,142
						78,000	78,000
						1,01,86,613	15,46,143

Carrying Cost	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Vehicle under finance lease	Total
Balance at March 31, 2020	13,39,715	1,15,03,965	18,49,20,125	7,80,704	-	-	19,85,44,508
Additions	-	-	89,14,255	-	-	-	89,14,255
Disposals	-	-	-	-	-	-	-
Acquisition through business combination	-	-	-	-	-	-	-
Balance at March 31, 2021	13,39,715	1,15,03,965	19,38,34,380	7,80,704	-	-	20,74,58,763

Accumulated Depreciation	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Vehicle under finance lease	Total
Balance at March 31, 2020	-	1,15,03,965	18,47,91,697	7,80,703	-	-	19,70,76,365
Additions	-	-	(1,95,785)	-	-	-	(1,95,785)
Disposals	-	-	-	-	-	-	-
Acquisition through business combination	-	-	-	-	-	-	-
Balance at March 31, 2021	-	1,15,03,965	18,45,95,912	7,80,703	-	-	19,68,80,580

Capital work in progress movement	
Balance at March 31, 2020	78,000
Addition during the year	89,92,255
Capitalised during the year	89,92,255
Balance at March 31, 2021	78,000

Written Down Value	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Vehicle under finance lease	Total
Carrying amount							
Balance at March 31, 2020	13,39,715	(0)	1,28,428	0	-	-	14,68,143
Additions	-	-	89,14,255	-	-	-	89,14,255
Disposals	-	-	-	-	-	-	-
Depreciation expense	-	-	(1,95,785)	-	-	-	(1,95,785)
Balance at March 31, 2021	13,39,715	0	88,46,898	(0)	-	-	1,01,86,613

Other Intangible assets

Carrying amounts of :		As at	
		31.3.2021	31.3.2020
Trademark		-	-
Software		-	-
Technical Know-how		-	-
Intangible assets under development		-	-

Cost or deemed cost	Trademark	Software	Technical know how	Total
Balance at March 31, 2020	-	77,825	-	77,825
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at March 31, 2021	-	77,825	-	77,825

Accumulated depreciation and impairment	Trade mark	Software	Technical know how	Total
Balance at March 31, 2020	-	77,825	-	77,825
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at March 31, 2021	-	77,825	-	77,825

Significant intangible assets

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



Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2021  
(in Indian Rupees )

Non-current investments

Note No 2

	Quantities in nos.		Nominal value	Value	
	As at 31.03.2021	As at 31.03.2020		As at 31.03.2021	As at 31.03.2020
<b>Quoted (Trade)</b>					
(a) Investments in equity instruments					
Equity Shares (fully paid)					
Instruments at FVTOCI					
Carborundum Universal Limited *	24,49,240	24,49,240	1	1,24,78,87,805	54,37,31,305
Murugappa Organo Water Solution Limited *	8,921	-	10	1,27,96,640	-
<b>Unquoted (Trade)</b>					
(b) Investments in other equity instruments					
Equity Shares (fully paid)	-	-	-	-	-
Instruments at FVTOCI	-	-	-	-	-
Instruments at FVTPL	-	-	-	-	-
Ciria India limited	1	1	330	330	330
<b>Total</b>				<b>1,26,06,84,775</b>	<b>54,37,31,635</b>

Category-wise other investments

	As at	
	31.03.2021	31.03.2020
Financial assets carried at fair value through profit or loss (FVTPL)		
Mandatorily measured at FVTPL(quoted equity shares)	330	330
Financial assets designated at FVTOCI(Equity instruments)	1,26,06,84,445	54,37,31,305
Investments at cost(includes investment in associates, subsidiaries and joint ventures)	-	-
<b>Total</b>	<b>1,26,06,84,775</b>	<b>54,37,31,635</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)

Current Investments

	Quantities in nos.		Nominal value	Value	
	As at 31.03.2021	As at 31.03.2020		As at 31.03.2021	As at 31.03.2020
<b>Quoted (Non-Trade)</b>					
(a) Investments in Mutual Funds					
Instruments at FVTPL					
HDFC Liquid Fund - Daily Dividend Plan Reinvestment	-	53,054	-	-	5,41,05,971
<b>Total</b>				<b>-</b>	<b>5,41,05,971</b>



**Southern Energy Development Corporation Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

**Other Financial Assets**

**Note No 3**  
**(in INR)**

Particulars		
	As at 31.03.2021	As at 31.03.2020
<b>a) Security Deposits</b>		
- Secured, considered good	-	-
- Unsecured, considered good	4,638	54,638
- Doubtful	-	-
<b>TOTAL (A)</b>	<b>4,638</b>	<b>54,638</b>



Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2021  
(in Indian Rupees )

Deferred tax balance

Note No 4

Particulars	As at	
	31.03.2021	31.03.2020
Deferred tax assets	2,85,34,583	2,98,72,734
Deferred tax liabilities	-	-

FY 2020-21

Breakup of deferred tax asset/ liabilities	Opening balance	Recognised in profit & loss	Recognised in OCI	Closing Balance
Depreciation-Project-II Only	2,98,72,734	(13,38,151)	-	2,85,34,583

FY 2019-20

Breakup of deferred tax asset/ liabilities	Opening balance	Recognised in profit & loss	Recognised in OCI	Closing Balance
Depreciation-Project-II Only	2,68,80,034	29,92,700	-	2,98,72,734



**Southern Energy Development Corporation Limited**

**Notes forming part of the Standalone financial statements for the year ended 31st March 2021**

**(in Indian Rupees )**

**Other Non-Current Assets**

**Note No 5**

Particulars		
	As at 31.03.2021	As at 31.03.2020
Advance income tax Unsecured, considered good	67,50,479	87,19,852
Capital Advance	1,41,55,035	-
<b>TOTAL</b>	<b>2,09,05,514</b>	<b>87,19,852</b>





**Southern Energy Development Corporation Limited**

**Notes forming part of the Standalone financial statements for the year ended 31st March 2021**

**(in Indian Rupees )**

**Inventories**

**Note No 6**

Particulars	As at 31.03.2021	As at 31.03.2020
Stores and spares	41,01,538	40,83,938
<b>Total Inventories *</b>	<b>41,01,538</b>	<b>40,83,938</b>
*at the lower of cost and net realisable value		



**Southern Energy Development Corporation Limited**  
**Notes forming part of the Standalone financial statements for the year ended 31st March 2021**  
**(in Indian Rupees )**

**Note No 7**

**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 since the supply of energy is to Murugappa group companies and there has been no credit loss in the past.

<u>Expected credit loss</u>	<u>Expected credit loss (%)</u>
Within the credit period	0%
1-30 days past due	0%
31-60 days past due	0%
61-90 days past due	0%
91-180 days past due	0%
181-365 days past due	0%
More than 365 days past due	0%

<u>Age of receivables</u>	<u>As at</u>	
	<u>31.03.2021</u>	<u>31.03.2020</u>
Within credit period (not due)	2,64,94,775	1,91,77,272
1-90 days past due	-	-
91-180 days past due	-	-
181-270 days past due	-	-
271-365 days past due	-	-
More than 365 days past due	-	-

<u>Movement in the expected credit loss allowance</u>	<u>As at</u>	
	<u>31.03.2021</u>	<u>31.03.2020</u>
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**

<u>Particulars</u>	<u>As at 31.03.2021</u>	<u>As at 31.03.2020</u>
	<u>Current</u>	<u>Current</u>
Trade Receivables :		
(a) Considered good	2,64,94,775	1,91,77,272
(b) Doubtful	-	-
	2,64,94,775	1,91,77,272
Less: Allowance for Credit Losses	-	-
<b>TOTAL</b>	<b>2,64,94,775</b>	<b>1,91,77,272</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



**Southern Energy Development Corporation Limited**

**Notes forming part of the Standalone financial statements for the year ended 31st March 2021**

**(in Indian Rupees )**

**Cash and Bank Balances**

**Note No 8**

Particulars		
	As at 31.03.2021	As at 31.03.2020
<b>Current Cash and bank balances</b>		
(a) Unrestricted Balances with banks		
(i) In Current Account	2,26,35,383	26,61,754
(ii) In Deposit Account	3,50,06,693	-
(b) Cash in hand	14,496	6,624
<b>Total Cash and cash equivalents</b>	<b>5,76,56,572</b>	<b>26,68,378</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 2021  
(in Indian Rupees )

Other Financial Assets - Current

Note No 9

Particulars		
	As at 31.03.2021	As at 31.03.2020
a) Loans and advances to employees - Festival Advances	39,000	40,000
b) Other Loans and Advances		
- Unsecured, considered good	-	-
<b>TOTAL</b>	<b>39,000</b>	<b>40,000</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 2021**

**(in Indian Rupees )**

**Other current assets**

**Note No 10**

Particulars		
	As at 31.03.2021	As at 31.03.2020
Prepayments	18,50,835	28,08,282
Trade Advances	6,13,213	-
<b>TOTAL</b>	<b>24,64,048</b>	<b>28,08,282</b>





Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2021  
(in Indian Rupees )

Note No 11

Share Capital	As at 31.03.2021	As at 31.03.2020
<b>Authorised</b>		
1,250,000 ( Previous Year - 1,250,000 ) equity shares of Rs. 10 each	1,25,00,000	1,25,00,000
600,000 ( Previous year - 600,000 ) - 13% redeemable cumulative preference shares @ Rs.100 each	6,00,00,000	6,00,00,000
	<b>7,25,00,000</b>	<b>7,25,00,000</b>
<b>Issued capital</b>		
1,200,040 ( Previous year 1,200,040 ) - equity shares of Rs 10 each	1,20,00,400	1,20,00,400
600,000 ( Previous year 600,000 ) 13% redeemable cumulative preference shares @ Rs 100 each	6,00,00,000	6,00,00,000
	<b>7,20,00,400</b>	<b>7,20,00,400</b>
<b>Subscribed and paid-up</b>		
460,008 shares of Re. 10 each fully paid (Previous year 460,008 of Rs.10 each fully paid)	<b>46,00,080</b>	<b>46,00,080</b>
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)		

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2021		As at 31.03.2020	
	No of Shares	Value of Shares in Rs.	No of Shares	Value of Shares in Rs.
<b>Equity shares with voting rights</b>				
Total of equity shares	4,60,008	46,00,080	4,60,008	46,00,080

Dividend of Rs. 4,14,00,720/- paid during FY 2020-21 (FY 2019-20 - Rs 5,21,30,321/- )

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

Name of shareholders	As at 31.03.2021		As at 31.03.2020	
	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 2020-21
a) Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash	NIL
b) Aggregate number and class of shares allotted as fully paid up by way of bonus shares; and	NIL
c) Aggregate number and class of shares bought back	NIL



**Southern Energy Development Corporation Limited**  
**Statement of changes in equity for the year ended March 31, 2021**  
**(in Indian Rupees )**

**Note No 11a**

<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Reserves and Surplus</b>		
<b>Capital Reserve</b>		
Fixed assets revaluation reserve	-	-
Capital subsidy	-	-
Profit on Forfeiture of Shares / Warrants	-	-
Capital redemption reserve	6,04,00,320	6,04,00,320
Securities premium	-	-
<b>Other Reserves</b>		
General reserve	4,39,07,430	4,39,07,430
Debenture redemption reserve	-	-
Other reserve	-	-
<b>Total</b>	<b>10,43,07,750</b>	<b>10,43,07,750</b>
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	2,17,85,259	1,93,98,623
Add : Profits for the current year	7,95,34,326	5,45,16,958
Add : Other comprehensive income - adjustment	-	-
Less : Transfer to General reserve	-	-
Less : Transfer to Debenture redemption reserve	-	-
Less : Final dividend	(2,07,00,360)	(2,76,00,480)
Less : Final dividend tax	-	-
Less : Interim dividend	(2,07,00,360)	(1,88,55,182)
Less : Dividend tax on interim dividend	-	(56,74,659)
Less : Proposed final dividend	-	-
Less : Dividend tax on proposed final dividend	-	-
<b>Total</b>	<b>5,99,18,865</b>	<b>2,17,85,259</b>
<b>Other Comprehensive income</b>		
Equity Instrument through Other Comprehensive income	1,22,93,09,685	52,52,39,544
	<b>1,22,93,09,685</b>	<b>52,52,39,544</b>
<b>Grand Total</b>	<b>1,39,35,36,300</b>	<b>65,13,32,553</b>



**Southern Energy Development Corporation Limited**

**Notes forming part of the Standalone financial statements for the year ended 31st March 2021**  
**(in Indian Rupees )**

**Non-Current Liabilities - Provisions**

**Note No 12**

<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Gratuity Liability	26,47,512	14,82,493



**Southern Energy Development Corporation Limited**

**Notes forming part of the Standalone financial statements for the year ended 31st March 2021**

**(in Indian Rupees )**

**Trade Payables - Current**

**Note No 13**

Particulars	As at 31.03.2021	As at 31.03.2020
Total outstandings due to micro and small enterprises - Refer Note no.23	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	49,18,170	40,24,514
Other Accruals	20,25,956	9,01,694
Employee Benefits Expenses		
Gratuity	3,96,207	14,62,816
Leave Fare Assistance	1,97,777	2,51,947
Provident Fund	88,785	91,379
Incentive	12,70,490	12,53,400
<b>Total trade payables</b>	<b>88,97,385</b>	<b>79,85,750</b>



**Southern Energy Development Corporation Limited**

**Notes forming part of the Standalone financial statements for the year ended 31st March 2021**

**(in Indian Rupees )**

**Provisions - Current**

**Note No 14**

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for employee benefits		
Long-term Employee Benefits	11,86,265	12,41,724
Other Provisions	-	-
<b>Total Provisions</b>	<b>11,86,265</b>	<b>12,41,724</b>





**Southern Energy Development Corporation Limited**

**Notes forming part of the Standalone financial statements for the year ended 31st March 2021**

**(in Indian Rupees )**

**Other Current Liabilities**

**Note No 15**

Particulars	As at 31.03.2021	As at 31.03.2020
Others		
- Statutory liabilities	2,82,514	1,66,243
<b>TOTAL OTHER LIABILITIES</b>	<b>2,82,514</b>	<b>1,66,243</b>



**Southern Energy Development Corporation Limited**  
**Notes forming part of the Standalone financial statements for the year ended 31st March 2021**  
**(in Indian Rupees )**

**Revenue from Operations**

**Note No 16**

Particulars	FY 2020-21	FY 2019-20
(a) Revenue from sale of energy, sale and service of solar power systems	22,90,83,724	23,68,05,605
(b) Other operating income - Sale of scrap	1,46,248	2,08,550
(c) Insurance Claims	-	1,84,59,634
<b>Total Revenue from Operations</b>	<b>22,92,29,972</b>	<b>25,54,73,789</b>

(a) Revenue from Sales & Services	FY 2020-21	FY 2019-20
(a) Revenue from Sale of Energy	22,67,43,974	23,68,05,605
(b) Revenue from Solar Power System Sale	12,28,500	-
(c) Revenue from Solar Power System Installation	11,11,250	-
<b>Total Sales</b>	<b>22,90,83,724</b>	<b>23,68,05,605</b>



**Southern Energy Development Corporation Limited**

**Notes forming part of the Standalone financial statements for the year ended 31st March 2021**  
**(in Indian Rupees )**

**Other Income**

**Note No 17**

Particulars	FY 2020-21	FY 2019-20
Dividend Income from long term investments	36,74,159	97,97,210
Dividend Income from Current Investments	4,18,182	11,79,212
Interest income from banks	9,10,672	-
<b>Other Income</b>		
Profit on sale of Investments (net)	7,585	-
<b>Total Other Income</b>	<b>50,10,598</b>	<b>1,09,76,422</b>



**Southern Energy Development Corporation Limited**

**Notes forming part of the Standalone financial statements for the year ended 31st March 2021**

**(in Indian Rupees )**

**Employee Benefits Expense**

**Note No 18**

<b>Particulars</b>	<b>FY 2020-21</b>	<b>FY 2019-20</b>
Salaries and wages, including bonus	94,18,561	88,53,195
Contribution to provident and other funds	19,33,135	17,90,016
Staff welfare expenses	10,60,885	7,81,041
<b>Total Employee Benefits Expense</b>	<b>1,24,12,581</b>	<b>1,14,24,252</b>



**Southern Energy Development Corporation Limited**

**Notes forming part of the Standalone financial statements for the year ended 31st March 2021**

**(in Indian Rupees )**

**Other Expenses**

**Note No 19**

Particulars	FY 2020-21	FY 2019-20
Consumption of stores and spares	2,27,79,894	1,07,02,199
Rates and taxes	10,87,972	11,90,082
Insurance	10,06,333	9,22,247
Repairs to :		
- Buildings	47,614	1,77,766
- Machinery	14,92,291	2,66,632
- Others	6,52,355	4,27,420
Data Processing Charges	1,03,543	1,25,106
Auditors' remuneration (Refer Note No.27)	1,41,600	1,41,600
Travel and Conveyance	12,50,769	13,17,883
Freight, delivery and shipping charges	2,00,201	51,053
Advertisement and publicity	91,184	72,189
Printing, stationery and communication	46,478	90,075
Corporate social responsibilities	10,30,229	11,83,953
Professional fees	74,48,478	60,65,086
Loss on sale of Fixed assets	-	-
Miscellaneous expenses	5,81,939	26,97,544
<b>Total Other Expenses</b>	<b>3,79,60,879</b>	<b>2,54,30,835</b>





**Southern Energy Development Corporation Limited**  
**Notes forming part of the Standalone financial statements for the year ended 31st March 2021**  
**(in Indian Rupees )**

**Income tax recognised in profit or loss**

**Note No 20**

	Year ended	
	31.03.2021	31.03.2020
Current tax		
In respect of the current year	2,25,00,000	2,40,00,000
In respect of the prior year	-	-
Other (describe)	-	-
	2,25,00,000	2,40,00,000
Deferred tax		
In respect of the current year	13,38,151	(29,92,700)
Adjustment to deferred tax attributable to changes in tax rates and laws	-	-
	13,38,151	(29,92,700)
<b>Total income tax recognised in the current year</b>	<b>2,38,38,151</b>	<b>2,10,07,300</b>

**Income tax reconciliation**

<b>Profit before tax</b>	<b>10,33,72,477</b>	<b>7,59,14,413</b>
Tax expenses reported during the year	2,38,38,151	2,10,07,300
Income tax expenses calculated at 25.168%	2,60,16,785	1,91,06,139
Difference	(21,78,634)	19,01,161
Dividend income (Net of 14A allowance)	(10,29,960)	(27,62,546)
Deduction under 80 IC	-	-
Chapter VI-A Deduction 80G	-	755
Depreciation on leasehold building /Building revaluation	-	27,52,396
Effect of changes in tax rate	-	3,00,497
Others - Corporate Social Responsibility	2,61,251	(6,33,489)
Others - Depreciation on Project I assets (permanent diff)	(6,25,419)	6,06,260
Others - MGO	(7,84,505)	16,37,287
Others		
Adjustment recognised in the current year in relation to the current year of prior years	(21,78,634)	19,01,161
Income tax expenses recognised in profit or loss (relating to continuing operations)		
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 2021****(in Indian Rupees )****Related party disclosures****Note No 21**

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

**Holding company**

Carborundum Universal Ltd.

**Subidiaries 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. Thukela Refractories Isithebe (Pty) Ltd
- k. CUMI Europe S.R.O

**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**

Particulars	During the year ended 31.03.2021	During the year ended 31.03.2020
Income from energy sales	17,30,03,056	19,35,46,754
Dividend income	36,73,859	97,96,960
Dividend paid	3,50,91,722	3,66,51,352
Management Fees	36,28,500	28,32,000
Payables	14,27,241	2,49,986
Receivables	1,74,24,985	1,29,73,288



Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2021  
(in Indian Rupees )

	Particulars	FY 2020-21	FY 2019-20
<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.	20,59,507	20,59,507
	(ii) Income Tax Act 1961 – Commissioner of income tax appeals – Assessment Year 2011-12	6,06,171	6,06,171
	<b>Claims against the Company not acknowledged as debt</b>		
	Electricity Tax on consumption & duty on generation demanded by TNEB		
a.	Less: Amount of Rs.116,79,975 deposited in the High court.	3,50,39,385	3,50,39,385
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.8,848,857 & interest of Rs 4,383,628 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 filled a Writ petition in the High Court of Madras on 21.12.15 and as per the directions 50% of the disputed Tax amount of Rs. 4,424,429 has been remitted.	1,32,32,485	1,32,32,485
<b>II</b>	<b>Capital commitments</b>		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
<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>		
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.	4,39,556	4,96,998



Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2021  
(in Indian Rupees )

	Particulars	FY 2020-21	FY 2019-20
b	The details of actuarial valuation in respect of gratuity liability in respect of the company are given below:		
	Ind AS 19 Period Covered	Projected Unit Credit Method FY 2020-21	Projected Unit Credit Method FY 2019-20
	<b>Change in defined benefit obligation</b>	<b>31-03-2021</b>	<b>31-03-2020</b>
	Defined benefit obligation at beginning of period	40,12,197	31,24,859
	Service cost	2,62,966	2,47,153
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	-
	Interest expenses	2,24,153	2,49,989
	<b>Cash flows</b>		
	a. Benefit payments from plan	(14,02,457)	-
	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	(54,116)	3,63,616
	c. Effect of experience adjustments	1,00,976	26,580
	Transfer In /Out		
	a. Transfer In		
	b. Transfer out		
	<b>Defined benefit obligation at end of period</b>	<b>31,43,719</b>	<b>40,12,197</b>
	<b>Change in fair value of plan assets</b>	<b>31-03-2021</b>	<b>31-03-2020</b>
	Fair value of plan assets at beginning of period	10,66,888	6,54,080
	Interest income	39,499	64,326
	<b>Cash flows</b>		
	a. Total employer contributions		
	(i) Employer contributions	4,35,569	3,00,000
	(ii) Employer direct benefit payments		
	(iii) Employer direct settlement payments		
	b. Participant contributions		
	c. Benefit payments from plan assets	(14,02,457)	-
	d. Benefit payments from employer		
	e. Adjustments to opening assets		48,439
	f. Settlement payments from employer		
	<b>Remeasurements</b>		
	a. Return on plan assets (excluding interest income)	(39,499)	43
	Transfer In /Out		
	a. Transfer In		
	b. Transfer out		
	<b>Fair value of plan assets at end of period</b>	<b>1,00,000</b>	<b>10,66,888</b>
	<b>Amounts recognized in the statement of financial position</b>	<b>31-03-2021</b>	<b>31-03-2020</b>
	Defined benefit obligation	31,43,719	40,12,197
	Fair value of plan assets	(1,00,000)	(10,66,888)
	Funded status	30,43,719	29,45,309
	Effect of asset ceiling	-	-
	<b>Net defined benefit liability (asset)</b>	<b>30,43,719</b>	<b>29,45,309</b>



Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2021  
(in Indian Rupees )

	Particulars	FY 2020-21	FY 2019-20
	<b>Components of defined benefit cost</b>	<b>31-03-2021</b>	<b>31-03-2020</b>
	Service cost		
	a. Current service cost	2,62,966	1,98,714
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	-
	Total service cost	2,62,966	1,98,714
	Net interest cost		
	a. Interest expense on DBO	2,24,153	2,49,989
	b. Interest (income) on plan assets	(39,499)	64,326
	c. Interest expense on effect of (asset ceiling)	-	-
	d. Total net interest cost	1,84,654	1,85,663
	<b>Remeasurements (recognized in other comprehensive income)</b>		
	a. Effect of changes in demographic assumptions	-	-
	b. Effect of changes in financial assumptions	(54,116)	3,63,616
	c. Effect of experience adjustments	1,00,976	26,580
	d. (Return) on plan assets (excluding interest income)	(39,499)	43
	e. Changes in asset ceiling (excluding interest income)	-	-
	f. Total remeasurements included in OCI	86,359	3,90,153
	<b>Total defined benefit cost recognized in P&amp;L and OCI</b>	<b>5,33,979</b>	<b>7,74,530</b>
	<b>Re-measurement</b>	<b>31-03-2021</b>	<b>31-03-2020</b>
	a. Actuarial (Loss)/ Gain on DBO	46,860	3,90,196
	b. Returns above Interest Income	39,499	43
	c. Change in Asset ceiling	-	-
	Total Re-measurements (OCI)	86,359	3,90,153
	<b>Employer Expense (P&amp;L)</b>	<b>31-03-2021</b>	<b>31-03-2020</b>
	a. Current Service Cost	2,62,966	1,98,714
	b. Interest Cost on net DBO	1,84,654	1,85,663
	c. Past Service Cost	-	-
	d. Total P&L Expenses	4,47,620	3,84,377
c	<b>Provident fund</b>		
	This scheme is managed by the Regional Provident Fund Commissioner.	4,68,255	4,49,109
d	<b>Leave encashment</b>		
	Non-funded leave encashment provided for management staff as per the company policy	3,97,196	1,89,585
25	<b>Segmental Disclosure</b>		
	The company operates in one segment and is in the business of energy / electricity sales generated from Natural Gas & Solar energy and sale of solar modules.		
26	<b>a.Value of imports on CIF basis</b>	-	-
	<b>b.Expenditure in foreign currency</b>	-	-
27	<b>Auditors' remuneration</b>		
	For Statutory audit	1,00,000	1,00,000
	For Tax audit	20,000	20,000
	<b>Total</b>	<b>1,20,000</b>	<b>1,20,000</b>



**Southern Energy Development Corporation Limited**

**Notes forming part of the Standalone financial statements for the year ended 31st March 2021**

(in Indian Rupees )

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

**Note No.28**

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

Particulars	FY 2020-21	FY 2019-20
Net profit for the year (In Rs.)	7,95,34,326	5,49,07,113
Weighted average number of equity shares outstanding during the year	4,60,008	4,60,008
Earnings per share - Basic and Diluted	172.90	119.36
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
Weighted average No. of Equity Shares	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 2021**  
**(in Indian Rupees )**

Note No.29

**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.

**(ii) Categories of financial instruments**

	As at	
	31.03.2021	31.03.2020
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
(a) Mandatorily measured:		
(i) Equity investments	330	5,41,06,301
(ii) Derivative instruments designated in hedge accounting relationship		
<b>Measured at fair value through Other comprehensive income (FVTOCI)</b>		
(i) Equity investments	1,26,06,84,445	54,37,31,305
<b>Measured at amortised cost</b>		
(a) Cash and bank balances	5,76,56,572	26,68,378
(b) Other financial assets at amortised cost	2,65,38,413	1,92,71,910

**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 banking facilities and by continuously monitoring forecast and actual cash flows, matching the maturity profiles of financial assets and liabilities.





Southern Energy Development Corporation Limited  
Notes forming part of the Standalone financial statements for the year ended 31st March 2021  
(in Indian Rupees)

Note No.29

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2021:

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	-	-	-	-	-	-
Trade payables	88,97,385	88,97,385	-	-	-	88,97,385
Finance lease liability	-	-	-	-	-	-
Other financial liabilities	2,82,514	2,82,514	-	-	-	2,82,514

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2020:

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	-	-	-	-	-	-
Trade payables	79,85,750	79,85,750	-	-	-	79,85,750
Finance lease liability	-	-	-	-	-	-
Other financial liabilities	1,66,243	1,66,243	-	-	-	1,66,243

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts (if any) as at 31 March 2021:

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	4,638	-	-	-	4,638	4,638
<b>Current financial assets</b>						
Trade receivables	2,64,94,775	2,64,94,775	-	-	-	2,64,94,775
Advance to employees	39,000	39,000	-	-	-	39,000
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 2021**  
**(in Indian Rupees )**

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 2020:

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	54,638	-	50,000		4,638	54,638
<b>Current financial assets</b>						
Trade receivables	1,91,77,272	1,91,77,272				1,91,77,272
Advance to employees	40,000	40,000				40,000
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		
	31.03.2021	31.03.2020		
Investments in quoted equity instruments in holding company at FVTOCI	1,26,06,84,445	59,78,37,276	Level 1	Quoted bid price in an Active Market (refer note below)
Investments in unquoted instruments at FVTPL	330	330	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 2021  
(in Indian Rupees )

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	As at 31.03.2021		As at 31.03.2020	
		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	4,638	4,638	54,638	54,638
<b>Current financial assets</b>					
Trade receivables	Level 2	2,64,94,775	2,64,94,775	1,91,77,272	1,91,77,272
Other financial assets					
Advances to employees	Level 3	39,000	39,000	40,000	40,000
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	88,97,385	88,97,385	79,85,750	79,85,750
Others financial liabilities					
Finance lease and interest thereon	Level 2	-	-	-	-
Others financial liabilities	Level 3	2,82,514	2,82,514	1,66,243	1,66,243

The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models.



**Southern Energy Development Corporation Limited****Notes forming part of the Standalone financial statements for the year ended 31st March 2021**

(in Indian Rupees )

**Corporate Social Responsibility****Note No.30**

During the year, the Company incurred an aggregate amount of Rs. 10,30,229 (Previous year: Rs. 11,83,953) towards Corporate Social Responsibility as against Rs. 10,16,578 (Previous year: Rs. 11,60,000) to be spent as per provision of Section 135 of the Companies Act, 2013 read with relevant schedule and rules made thereunder.

Particulars	FY 2020-21	FY 2019-20
<b>A. Expenditure incurred directly by the Company:</b>		
Rural Development - Nallur Village Panchayat	10,30,229	3,54,553
Rural Development - Solar Lights/Street Lights	-	2,44,882
Rural Development - Nallur School Development	-	84,518
<b>B. Expenditure incurred through Agencies:</b>		
AMM Foundation	-	5,00,000
<b>Total CSR Expenditure</b>	<b>10,30,229</b>	<b>11,83,953</b>



**Southern Energy Development Corporation Limited**  
**Notes forming part of the Standalone financial statements for the year ended 31st March 2021**  
(In Indian Rupees )


<b>31</b>	<b>Changes in Accounting Policy</b>
a.	There are no changes to the Accounting policies of the company in comparison to that in the previous year.
<b>32</b>	<b>Financial impact of Covid-19 lockdown for the financial year under review</b>
a.	After the Government announcement of the Covid-19 lockdown in March 2020, the Nallur power generation unit of the Company continued to operate during the initial phase of the lockdown. However the Company had entered into an agreement with TANGEDCO to supply energy exclusively to its consumers (companies of the Murugappa Group), and when the consumers had to shut down manufacturing operations, the Nallur power plant operations were also suspended on March 28, 2020. The company had resumed power generation and supply from May 6, 2020 and rapidly scaled up its energy generation and distribution to meet the energy demand of its consumers who had commenced manufacturing operations.
b.	The Management is of the view that despite the economic disruption during the period from April 1st 2020 till May 5th 2020, the operations of the Nallur plant have been satisfactory till the closing date. The carrying amounts of financial assets including inventory, receivables, and investments as on the closing date are fully recoverable as on the date of this report.
c.	The impact assessment of COVID-19 is a continuing process and the Company will continue to monitor the changes in the business environment.
<b>33</b>	<b>Events after the reporting period</b>
	No significant event is to be reported between the closing date and that of the meeting of the Board of Directors.
<b>34</b>	<b>General</b>
a.	The company has entered into an agreement with ONGC on 28.12.2019 for supply of natural gas and this agreement is valid for a period of five years commencing from 01.01.2020 till 31.12.2024.
b.	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.
c.	The company during the financial year under review has made a foray into solar energy power generation, distribution, supply and installation of solar panels by acquiring the solar energy business of Parry Enterprises India Ltd. The solar energy generated is supplied to EID Parry Ltd..
d.	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 001204S  
  
Vivek Sarabeswaran  
Partner  
M No : 206383

Chennai  
Date: 16/04/2021

For Southern Energy Development Corporation Limited

  
M. Muthiah  
Director

  
K. Raghunandan  
Director

