Sundaram & Srinivasan
CHARTERED ACCOUNTANTS
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Date ....

Independent Auditor's Report

To
The Members of
Southern Energy Development Corporation Limited

Report on the audit of the Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying Indian Accounting Standards (Ind AS) financial statements of Southern Energy Development Corporation Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2026, the statement of Profit and Loss (Including Other Comprehensive Income), the cash flow statement and the statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year then ended.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Indian Accounting Standards (Ind AS) 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 March 31, 2026, and Profit, its cash flows and changes in equity for the year ended on that date.

Basis of 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 Indian Accounting Standards (Ind AS) 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 ('the ICAI') 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.

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Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

The company's Board of Directors are responsible for the other information. The other information comprises the information included in the company's annual report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assured conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially Inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Indian Accounting Standards (Ind AS) 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 Indian Accounting Standards (Ind AS) financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section133 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 Indian Accounting Standards (Ind AS) 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.

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Auditor's Responsibilities for the Audit of the Indian Accounting Standards (Ind AS) Financial Statements

Our objectives are to obtain reasonable assurance about whether the Indian Accounting Standards (Ind AS) 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 Standards on Auditing ("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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to 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) the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Ind AS Financial statements in place and the Operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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 the we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all

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relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of Indla in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure-A", a statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.

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, Statement of Profit and Loss, Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Indian Accounting Standards (Ind AS) financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued there under;

e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors Is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the Internal Financial Controls with reference to financial statements in place and the Operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and

g) In our opinion and according to the information and explanations given to us, the managerial remuneration payable in accordance with the requisite approvals mandated by the provision of section 197 of the Companies Act,2013 is not applicable.

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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 does not have any pending litigations which would impact its financial position in the Indian Accounting Standards (Ind AS) financial statements;

II. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses, If any, on long term contracts;

III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

IV. (a) The management has represented that, to the best of its knowledge and belief, no funds (Which are material either individually or in the aggregate) have been advanced or loaned or Invested (either from the borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entity, 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 (Which are material either individually or in the aggregate) have been received by the company from any person or entity including foreign entities ("funding parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly lend or invest in other persons or entities identified any manner whatsoever by or on behalf of the Funding Party ("ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries;

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

As stated In the Ind AS financial statements:

a) The Company has declared and paid an interim dividend of ₹966.02 lakhs, i.e., ₹210 per equity share, for the financial year 2025-26. Accordingly, the provisions of Section 123 of the Companies Act, 2013 relating to declaration and payment of dividend, have been duly complied with.
b) The Board of Directors of the Company, until the date of this report, has not proposed a final dividend for the financial year 2025-2026

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c) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, we did not notice any instance of audit trail feature being tampered with or not preserved by the Company as per the statutory requirements for record retention.

For **SUNDARAM & SRINIVASAN**
Chartered Accountants
Firm Registration No: 004207S

SUNDARAM & SRINIVASAN
New No:4,
Old No:23,
CPR Road,
Chennai
600 018.
CHARTERED ACCOUNTANTS

Place : Chennai
Date : April 17, 2026
UDIN : 26217914NGKOMP3817

P Menakshi Sundaram
Partner
Membership No - 217914

Sundaram & Srinivasan
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Date ....

Annexure - A to the Independent Auditors' Report

(Referred to in Paragraph 1 of our Report on Other Legal and Regulatory Requirements relevant to paragraphs 3&4 of "the Order")

The Annexure referred to in Auditor Report to the members of the company on the Indian Accounting standards (Ind AS) financial statements for the year ended 31st March 2026, we report that:

i)

a) According to the information given to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of Plant and Equipment;

b) The company is maintaining proper records showing full particulars of intangible assets;

c) According to the information given to us, major portion of the Plant and Equipment to the extent applicable have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.

d) According to the information and explanations given to us and based on the examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. The company has not revalued its Plant and Equipment and intangible assets.

e) No proceedings 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 Company does not hold any inventory during the year. Accordingly, the provisions of clause 3(ii)(a) of the Order relating to physical verification of inventory are not applicable.

b) During any point of time of the year, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

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iii) According to the information and explanations given to us, during the year the company has not made Investments, 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 given any loans, Guarantees and security and has not made any investments. Accordingly, compliance with the provisions of section 185 and 186 of the Companies Act 2013 is not applicable.

v) According to the information and explanations given to us the company has not accepted any deposits from the public during the year. Hence, the provision of Clause 3(v) of the order is not applicable.

vi) The company is not required to maintain cost records specified by the Central Government under subsection (1) of section 148 of the Companies Act. Hence, the provision of Clause 3(vi) of the order is not applicable.

vii)

a) According to the records, Information and explanation given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including GST, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as on 31st March 2026 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) In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix)

a) According to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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b) According to the Information and explanations given to us, the company is not a declared willful defaulter by any bank or financial institution or other lender: -

c) According to the information and explanations given to us, term loans were not availed by the company during the year. Accordingly, Clause 3(ix)(c) of the order is not applicable to the company.

d) According to the information and explanations given to us, there are no funds raised on short term basis which have been utilized for long term purposes. Accordingly, Clause 3{ix)(d) of the order is not applicable to the company.

e) According to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, Clause 3{ix)(e) of the order is not applicable to the company.

f) According to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, Clause 3{ix)(f) of the order is not applicable to the company.

x)

a) According to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.

b) According to the information and explanations given to us, 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 given to us by the management and based on audit procedures performed, no fraud by the company or any fraud on the company has been noticed or reported during the year.

b) We have not filed any report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies {Audit and Auditors) Rules, 2014 with the Central Government.

c) According to the information and explanations given to us, no whistle-blower complaints have been received during the year by the company.

xii) In our Opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, Clause 3{xii) of the order is not applicable to the company.

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xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards; Sec 177 is not applicable to the company.

xiv) According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
The requirement of consideration by statutory auditors of the reports of the Internal Auditors for the period under audit is not applicable to the company.

xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them.

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 without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
d) According to the information and explanations given to us by the management during the course of audit, the group to which the company belongs has 2 Core investment Companies.

xvii) The company has not incurred cash losses in the financial year, but in the immediately preceding financial year the company had made a cash losses (Net Profit after tax adjusted for deferred tax, depreciation and amortization) of Rs. 60 Lakhs (FY 2024-25).

xviii) There has been no resignation of the statutory auditors during the year. Accordingly, Clause 3{xviii) of the order is not applicable.

xix) According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from

SUNDARAM & SRINIVASAN
New No: 4, Old No. 23, CPR ROAD, CHENNAI 600 018.
CHARTERED ACCOUNTANTS

the Balance Sheet date, will get discharged by the company as and when they fall due.

xx) According to the information and explanations given to us by the management, Section 135 of the Companies Act 2013 is not applicable to the company. Accordingly, Clause 3(XX) of the order is not applicable.

xxi) According to the information and explanations given to us by the management, The Company is not required to prepare consolidated financial statements. Accordingly, Clause 3(XXI} of the order is not applicable.

For **SUNDARAM & SRINIVASAN**
Chartered Accountants
Firm Registration No: 004207S

Place : Chennai
Date : April 17, 2026
UDIN : 26217914NGKOMP3817

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR Road, Chennai 600 018.

P Menakshi Sundaram
Partner
Membership No - 217914

Sundaram & Srinivasan
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Date ....

Annexure - B to the Independent Auditors' Report

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 31 March 2026 in conjunction with our audit of the Indian Accounting Standards (Ind AS) 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

SUNDARAM & SRINIVASAN New No: 4, Old No. 23, CPR ROAD, CHENNAI 600 018. CHARTERED ACCOUNTANTS

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 Indian Accounting Standards (Ind AS) 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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 31 March 2026, 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.

For **SUNDARAM & SRINIVASAN**
Chartered Accountants
Firm Registration No: 004207S

Place : Chennai
Date : April 17,2026
UDIN : 26217914NGKOMP3817

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR Road, Chennai 600 018. CHARTERED ACCOUNTANTS

P Menakshi Sundaram
Partner
Membership No - 217914

Southern Energy Development Corporation Limited
Balance Sheet as on ended March 31,2026

Rs in lakhs

		Particulars	Note No.	As at 31.03.2026	As at 31.03.2025
A		**ASSETS**			
	1	**Non-current assets**			
		(a) Property, Plant and Equipment	1	714	750
		(b) Financial Assets		-	-
		(i) Investments	2	11,242	15,325
		(ii) Other Financial Assets	3	0	0
		(c) Other non-current assets	5	98	129
		Total Non - Current Assets		12,054	16,204
	2	**Current assets**			
		(a) Financial Assets			
		(i) Trade receivables	7	231	56
		(ii) Cash and cash equivalents	8	594	80
		(iii) Other Financial assets	9	4	9,628
		(b) Other current assets	10	414	222
		Total Current Assets		1,243	9,986
		Total Assets (1+2)		**13,297**	**26,190**
B		**EQUITY AND LIABILITIES**			
	1	**Equity**			
		(a) Share capital	11	46	46
		(b) Other Equity	11a	12,306	22,939
		Total equity attributable to owners of the Company		12,352	22,985
		LIABILITIES			
	2	**Non-current liabilities**			
		(a) Provisions	12	15	22
		(b) Deferred tax liabilities (Net)	4	772	1,267
		Total Non - Current Liabilities		787	1,289
	3	**Current liabilities**			
		(a) Financial Liabilities			
		(i) Trade payables			
		Total outstanding dues of micro enterprises and small enterprises		-	40
		Total outstanding dues of creditors other than micro enterprises and small enterprises	13	137	97
		(iv) Other financial liabilities		-	-
		(b) Provisions	14	15	15
		(c) Other current liabilities	15	6	1,014
		(d) Current tax liabilities (net)		-	750
		Total Current Liabilities		158	1,916
		Total Equity and Liabilities (1+2+3)		**13,297**	**26,190**

The accompanying notes form an integral part of the financial statements

For Sundaram and Srinivasan
Chartered Accountants
FRN : 004207S

P. Menakshi Sundaram
Partner

Membership Number : 217914

Place : Chennai
Date : 17/04/2026

For Southern Energy Development Corporation Limited

Bhaskharan Kannun
Director
DIN: 10147757

Ravi Venugopal
Director
DIN: 07569285

SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS
New No:4, Old No:23, CPR Road, Chennai 600 018.

Southern Energy Development Corporation Limited

Statement of Profit and Loss for the year ended March 31, 2026

Rs in lakhs

	Particulars	Note No.	2025-26 (YTD Mar)	2024-25 (YTD Mar)
I	Revenue from operations	16	1,552	2,968
II	Other Income	17	161	118
III	**Total Revenue (I + II)**		**1,713**	**3,086**
IV	**EXPENSES**			
	(a) Cost of materials consumed		1,001	2,799
	(b) Employee benefit expense	18	138	177
	(c) Finance costs		-	6
	(d) Depreciation and amortisation expense	1	36	51
	(e) Other expenses	19	133	164
	Total Expenses		**1,308**	**3,197**
V	**Profit/(loss) before tax (III- IV)**		**405**	**(111)**
VI	**Tax Expense**			
	(1) Current tax	20	-	-
	(2) Deferred tax	20	-	-
	Total tax expense		-	-
VII	**Profit/(loss) for the period**		405	(111)
VIII	**Other comprehensive income**		(2,091)	(8,761)
	A (i) Items that will not be recycled to profit or loss		-	-
	(a) Remeasurements of the defined benefit liabilities / (asset)		6	9
	(b) Equity instruments through other comprehensive income		(2,376)	(6,753)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		279	(2,017)
IX	**Total comprehensive income for the period (VII+VIII)**		(1,686)	(8,872)
X	Earnings per equity share on profit for the year Basic and Diluted	28	89	-24

The accompanying notes form an integral part of the financial statements

For Sundaram and Srinivasan
Chartered Accountants
FRN : 004207S

P. Menakshi Sundaram
Partner

Membership Number : 217914

Place : Chennai
Date : 17/04/2026

For Southern Energy Development Corporation Limited

Bhaskharan Kannun
Director
DIN: 10147757

Ravi Venugopal
Director
DIN: 07569285

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS *
New No:4,
Old No:23,
CPR Road,
Chennai
600 018.

Southern Energy Development Corporation Limited
Cash flow statement

Rupees in lakhs

Particulars		FY 2025-26		FY 2024-25	
Profit before tax			405		(111)
Adjustment for :		-			
Depreciation and amortisation		36		51	
Finance costs		-		6	
Interest income		(103)		-	
Profit on sale of Investment		-		-	
Dividend income		(58)		(98)	
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)		-		-	
Loss /(profit) on exchange fluctuation (net)		-	(125)	-	(41)
Operating profit before working capital changes			280		(152)
Movement in working capital					
(Increase)/decrease in trade receivables		(176)		17	
(Increase)/decrease in Inventories		-		53	
(Increase)/decrease in Other financial asset		(0)		(4)	
(Increase)/decrease in Other assets		(192)		(133)	
Increase/(decrease) in Trade payables		(2)		(251)	
Increase/(decrease) in Employee benefit payable		-		-	
Increase/(decrease) in Provision & other current liabilities		(1,014)		382	
Increase/(decrease) in Other financial liabilities		-	(1,384)		64
Cash generated from Operations			(1,104)		(88)
Income tax paid			6		(3)
Net cash generated by Operating activities	[A]		(1,098)		(91)
Cash flow from investing activities					
Payments to acquire fixed asset		-		(2)	
Payments for Intangible asset		-		-	
Proceeds from sale of fixed assets		-		-	
Proceeds / (Purchase) of Investments		11,337			
Interest income received		103		-	
Dividend income received		58	11,498	98	
Income tax paid			(939)		
Net cash (used in)/generated by Investing activities	[B]		10,559		96
Cash flow from financing activities					
Proceeds from issue of equity shares		-		-	
Repayment/proceeds from long term borrowings		-		-	
Repayment/proceeds from borrowings		-		-	
Lease liability paid		-		-	
Finance costs paid		-		(6)	
Dividend paid to Shareholder (including tax)		(8,947)		-	
Net cash used in Financing activities	[C]		(8,947)		(6)
Net increase/(decrease) in cash and cash equivalents [A]+[B]+[C]			514		(1)
Effect of exchange rate changes on the balances of cash and cash equivalents he	[D]		-		-
Add : Cash and Cash equivalent at the beginning of the year			80		81
Cash and Cash equivalent at the end of the year			594		80
Reconciliation of Cash and cash equivalents with the Balance Sheet :					
Cash and cash equivalents at the beginning of the year					
Cash and cash equivalents			80		81
Current investment considered as Cash and Cash equivalents			-		
			80		81
Cash and cash equivalents at the end of the year					
Cash and cash equivalents			594		80
Current investment considered as Cash and Cash equivalents			-		
			594		80

The accompanying notes form an integral part of the financial statements

For Sundaram and Srinivasan
Chartered Accountants
FRN : 004207S

P Menakshi Sundaram
Partner

Membership Number : 217914

Place : Chennai
Date : 17/04/2026

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★
New No:4, Old No:23, CPR Road, Chennai 600 018.

For Southern Energy Development Corporation Limited

Bhaskharan Kannun
Director
DIN: 10147757

Ravi Venugopal
Director
DIN: 07569285

Southern Energy Development Corporation Limited
Notes forming part of the Standalone financial statements for the year ended 31st March 2026

Property, plant and equipment — **Note No 1**

(Rupees in lakhs)

Carrying Amount of:	As at 31.03.2026	As at 31.03.2025
Freehold land	13	13
Buildings	-	0
Plant and equipment	700	731
Furniture and fittings	-	0
Vehicles	1	2
	714	746
Capital work-in-progress	0	0
	714	746
Intangibles	0	4
	714	750

Carrying Cost	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Vehicle under finance lease	Total
Balance at March 31, 2025	13	120	2,741	8	2	0	2,884
Additions	-	-		-		-	0
Disposals	-	-	-	-	-	-	-
Acquisition through business combination	-	-	-	-	-	-	-
Balance at March 31, 2026	13	120	2,741	8	2	-	2,884

Accumulated Depreciation	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Vehicle under finance lease	Total
Balance at March 31, 2025	-	120	2,005	8	0	-	2,133
Additions	-	-	36	-	0	-	36
Disposals	-	-	-	-	-	-	-
Acquisition through business combination	-	-	-	-	-	-	-
Balance at March 31, 2026	-	120	2,041	8	1	-	2,169

Capital work in progress movement	
Balance at March 31, 2025	0
Addition during the year	
Capitalised during the year	
Balance at March 31, 2026	-

Written Down Value	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Vehicle under finance lease	Total
Carrying amount							
Balance at March 31, 2025	13	0	735	(0)	2	-	750
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
	-	-	-	-	-		-
Depreciation expense	-	-	35	-	1	-	36
Balance at March 31, 2026	13	0	700	(0)	1	-	714

Other Intangible assets

Carrying amounts of :	As at 31.3.2026	As at 31.3.2025
Trademark	-	-
Software	-	4
Technical Know-how	-	-
Intangible assets under development	-	-
	-	4

Cost or deemed cost	Trademark	Software	Technical know how	Total
Balance at March 31, 2025	-	5	-	5
Additions	-	-	-	-
Disposals	-		-	
Balance at March 31, 2026	-	5	-	5

Accumulated depreciation and impairment	Trade mark	Software	Technical know how	Total
Balance at March 31, 2025	-	1	-	1
Additions	-	4	-	4
Disposals	-	-	-	
Balance at March 31, 2026		5	-	5

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

No Projects were capitalised during the financial year 2025-26 and 2024-25

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No: 4, Old No: 23, CPR Road, Chennai 600 018.

Southern Energy Development Corporation Limited
Notes forming part of the Standalone financial statements for the year ended 31st March 2026

Non-current investments

Note No 2
(Rupees in lakhs)

	Quantities in nos.		Nominal value	Value	
	As at 31.03.2026	As at 31.03.2025		As at 31.03.2026	As at 31.03.2025
Quoted (Trade)					
(a) Investments in equity instruments					
Equity Shares (fully paid)					
Instruments at FVTOCI:					
Carborundum Universal Limited *	14,49,240	14,49,240	1	11,242	14,697
Unquoted (Trade)					
(b) Investments in other equity instruments					
Equity Shares (fully paid)			-		-
Instruments at FVTOCI:			-		-
Murugappa Organo Water Solution Limited #	-	39,922	10	-	628
Instruments at FVTPL			-		-
Ciria India limited	1	1	330	0	0
					-
Total				**11,242**	**15,325**

Category-wise other investments

	As at 31.03.2026	As at 31.03.2025
Financial assets carried at fair value through profit or loss (FVTPL)		
Mandatorily measured at FVTPL(unquoted equity shares)	0	0
Financial assets designated at FVTOCI(Equity instruments)	11,242	14,697
Investments at cost(includes investment in associates, subsidiaries and joint ventures)	-	628
	11,242	**15,325**

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. The holding in Murugappa Organo Water Solutions was sold during the financial year and the gains arising out of the same have been routed through Other Comprehensive Income.

Current Investments

	Quantities in nos.		Nominal value	Value	
	As at 31.03.2026	As at 31.03.2025		As at 31.03.2026	As at 31.03.2025
Quoted (Non-Trade)					
(a) Investments in Mutual Funds	-	-	-	-	-
Total	-	-	-	-	-

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR Road, Chennai 600 018.

Southern Energy Development Corporation Limited
Notes forming part of the Standalone financial statements for the year ended 31st March 2026

Other Financial Assets **Note No 3**

(Rupees in lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
a) Security Deposits		
- Secured, considered good	-	-
- Unsecured, considered good	0	0
b) Bank deposits with more than 12 months maturity	-	-
c) Others	-	-
- Doubtful	-	-
TOTAL (A)	**0**	**0**

SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS
New No:4, Old No:23, CPR Road, Chennai 600 018.

Southern Energy Development Corporation Limited
Notes forming part of the Standalone financial statements for the year ended 31st March 2026

Note No 4
(Rupees in lakhs)

Deferred tax balance

Particulars	As at 31.03.2026	As at 31.03.2025
Deferred tax assets	-	-
Deferred tax liabilities	772	1,267

FY 2025-26

Breakup of deferred tax asset/ liabilities	Opening balance	Recognised in profit & loss	Recognised in OCI	Closing Balance
Difference in FMV on Investment in Listed shares	1,267	-	(494)	772

FY 2024-25

Breakup of deferred tax asset/ liabilities *	Opening balance	Recognised in profit & loss	Recognised in OCI	Closing Balance
Depreciation-Project-II Only	-	-	1,267	1,267

SUNDARAM & SRINIVASAN
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CHARTERED ACCOUNTANTS

Southern Energy Development Corporation Limited

Notes forming part of the Standalone financial statements for the year ended 31st March 2026

Other Non-Current Assets **Note No 5**

(Rupees in lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Advance income tax Unsecured, considered good	98	129
Capital Advance	-	-
TOTAL	**98**	**129**

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CHARTERED ACCOUNTANTS

Southern Energy Development Corporation Limited
Notes forming part of the Standalone financial statements for the year ended 31st March 2026

Inventories **Note No 6**

(Rupees in lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Stores and spares	-	-
Total Inventories *	**-**	**-**
*at the lower of cost and net realisable value		

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR Road, Chennai 600 018.

Southern Energy Development Corporation Limited
Notes forming part of the Standalone financial statements for the year ended 31st March 2026

Note No 7
(Rupees in lakhs)

Receivables

The general average credit period on sale of energy is 7 days and the dues are usually realized with in 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 31.03.2026	As at 31.03.2025
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 31.03.2026	As at 31.03.2025
	Current	Current
Trade Receivables :		
(a) Considered good	231	56
(b) Doubtful	-	-
	231	56
Less: Allowance for Credit Losses	-	-
TOTAL	**231**	**56**

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

SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS
New No:4, Old No:23, CPR Road, Chennai 600 018.

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 2026 - 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	1	70	41	73	3			188
(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 2026 - 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	15		9	7	12			43

As at 31 March 2025 - 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	0	1	4	23	0	0	0	28
(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 2025 - 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	-	15	9	3.81	-	-	-	28

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, CPR Road, Chennai 600 018.

Southern Energy Development Corporation Limited
Notes forming part of the Standalone financial statements for the year ended 31st March 2026

Cash and Bank Balances **Note No 8**

(Rupees in lakhs)

Particulars	**As at 31.03.2026**	**As at 31.03.2025**
Current Cash and bank balances		
(a) Unrestricted Balances with banks		
(i) In Current Account	34	80
(ii) In Deposit Account	560	-
(b) Cash in hand	0	0
Total Cash and cash equivalents	**594**	**80**

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

SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS
New No:4, Old No:23, CPR Road, Chennai 600 018.

Southern Energy Development Corporation Limited
Notes forming part of the Standalone financial statements for the year ended 31st March 2026

Other Financial Assets - Current — **Note No 9**

(Rupees in lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
a) Loans and advances to employees - Festival Advances	4	5
b) Receivable from Sale of CUMI shares	-	9,623
c) Other Loans and Advances		
- Unsecured, considered good	-	-
TOTAL	**4**	**9,628**
**Refer Note No 29 for additional disclosures*		

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SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★

Southern Energy Development Corporation Limited
Notes forming part of the Standalone financial statements for the year ended 31st March 2026

Other current assets **Note No 10**
(Rupees in lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Prepayments	4	5
Trade Advances	118	74
GST Input credit receivable	292	143
TOTAL	**414**	**222**

SUNDARAM & SRINIVASAN
New No:4, Old No:23, CPR Road, Chennai 600 018.
CHARTERED ACCOUNTANTS

Southern Energy Development Corporation Limited
Notes forming part of the Standalone financial statements for the year ended 31st March 2026
(in Indian Rupees)

Note no 11
(Rupees in lakhs)

Equity Share Capital
For Financial Year 2025-26

	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
Authorised					
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
	725				**725**
Issued Capital					
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
	720				**720**
Subscribed and paid-up					
460,008 Equity shares of Rs. 10 each fully paid (Previous year 460,008 of Rs.10 each fully paid)	46				46
	46				**46**

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 2024-25

	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
Authorised					
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
	725				**725**
Issued Capital					
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
	720				**720**
Subscribed and paid-up					
460,008 Equity shares of Rs. 10 each fully paid (Previous year 460,008 of Rs.10 each fully paid)	46				46
Total	**46**				**46**

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 31.03.2026		As at 31.03.2025	
	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%
Total	**4,60,008**	**100.00%**	**4,60,008**	**100.00%**

Additional information	FY 2025-26	FY 2024-25
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 2025-26

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 2024-25

S.No	Promoter Name	No of shares	% of total shares	% change during the year
1	Carborundum Universal Limited	3,89,908	84.76%	NIL

SUNDARAM & SRINIVASAN
New No: 4, Old No: 23, CPR Road, Chennai 600 018.
CHARTERED ACCOUNTANTS

B. Other Equity
FY 2025-2026

Note no 11A
(Rupees in lakhs)

Particulars	Capital Redemption Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income - Remeasurements of the defined benefit liabilities / (asset)	Total
		Reserves and Surplus				
Balance at the beginning of the reporting period	604	439	8,068	13,847	(19)	22,939.12
	-	-	-	-	-	-
Changes in accounting policy / prior period items	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-	-
Profit for the year	-	-	405	-	-	405.29
Total Comprehensive Income for the previous year	-	-		(2,591)		(2,591.14)
Dividends	-	-	(8,947)			(8,947.16)
Transfer to Retained Earnings	-	-	1,362	(1,362)	6	6.10
Any other change (to be specified)	-	-	-	494	-	494.17
Balance at the end of the reporting period	**604**	**439**	**888**	**10,388**	**(13)**	**12,306.40**

B. Other Equity
FY 2024-25

Particulars	Capital Redemption Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income - Remeasurements of the defined benefit liabilities / (asset)	Total
		Reserves and Surplus				
Balance at the beginning of the previous reporting period	604	439	(609)	31,405	(29)	31,810
	-	-	-	-	-	-
Changes in accounting policy / prior period items	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-	-
Profit for the year	-	-	(111)	-	-	(111)
Total Comprehensive Income for the previous year	-	-	-	(8,770)		(8,770)
Dividends	-	-		-	-	-
Transfer to Retained Earnings	-	-	8,788	(8,788)	10	10
Any other change (to be specified)	-	-	-	-	-	-
Balance at the end of the previous reporting period	**604**	**439**	**8,068**	**13,847**	**(19)**	**22,939**

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS *
New No:4, Old No:23, CPR Road, Chennai 600 018.

Southern Energy Development Corporation Limited
Notes forming part of the Standalone financial statements for the year ended 31st March 2026

Non-Current Liabilities - Provisions **Note No 12**

(Rupees in lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Gratuity Liability	15	22

SUNDARAM & SRINIVASAN
New No:4
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600 018.
CHARTERED ACCOUNTANTS

Southern Energy Development Corporation Limited
Notes forming part of the Standalone financial statements for the year ended 31st March 2026

Trade Payables - Current Note No. 13

(Rupees in lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Total outstandings due to micro and small enterprises	-	
Also refer Note no 23		40
Total outstanding dues of creditors other than micro enterprises and small enterprises	8	29
Other Accruals	115	54
Employee Benefits Expenses	-	-
Gratuity	-	0
Leave Fare Assistance	2	3
Provident Fund	1	1
Incentive	11	10
Total trade payables	**137**	**137**

Ageing schedule for Trade Payables:

As at 31 March 2026 - 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	-	-	-	-	-	-	-
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
((iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

As at 31 March 2026 - 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	-	8	-	-	-	-	8
(iii) Disputed Dues - MSME							
((iv) Disputed Dues - Others							

As at 31 March 2025 - 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		40					40
(ii) Others		21	2				23
(iii) Disputed Dues - MSME							
((iv) Disputed Dues - Others							

As at 31 March 2025 - 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	1	5					6
(iii) Disputed Dues - MSME							
((iv) Disputed Dues - Others							

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Provisions - Current | **Note No 14**

(Rupees in lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Provision for employee benefits		
Long-term Employee Benefits	15	15
Other Provisions	-	-
Total Provisions	**15**	**15**

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Other Current Liabilities **Note No 15**

(Rupees in lakhs)

Particulars	As at 31.03.2026	As at 31.03.2025
Others		
- Statutory liabilities	6	3
Advance received from Customer	-	1,011
TOTAL OTHER LIABILITIES	6	1,014

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Revenue from Operations — **Note No 16**

(Rupees in lakhs)

	Particulars	**FY 2025-26**	**FY 2024-25**
(a)	Revenue from sale of energy, sale and service of solar power systems	1,552	2,967
(b)	Other operating income	-	1
			-
	Total Revenue from Operations	**1,552**	**2,968**

(a) Revenue from Sales & Services		**FY 2025-26**	**FY 2024-25**
(i)	Revenue from Sale of Energy - generated from Natural Gas		1,655
(ii)	Revenue from Solar Power System Sale & AMC Income	1,391	1,158
(iii)	Revenue from Sale of Energy - Generated through Solar Energy	161	154
	Total Sales	**1,552**	**2,967**

(b) Other Operating Income		**FY 2025-26**	**FY 2024-25**
(i)	Scrap Sale	-	1
	Total	**-**	**1**

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Other Income **Note No 17**
(Rupees in lakhs)

Particulars	FY 2025-26	FY 2024-25
Dividend Income from long term investments	58	98
Interest income from banks	103	-
Insurance claims	-	20
Profit on sale of Fixed Assets	0	-
Total	**161**	**118**

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Employee Benefits Expense **Note No 18**
(Rupees in lakhs)

Particulars	FY 2025-26	FY 2024-25
Salaries and wages, including bonus	105	137
Contribution to provident and other funds	20	27
Staff welfare expenses	13	13
Total Employee Benefits Expense	**138**	**177**

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Other Expenses **Note No 19**
(Rupees in lakhs)

Particulars	FY 2025-26	FY 2024-25
Consumption of stores and spares	16	107
Rates and taxes	21	2
Insurance	11	5
Repairs to :	-	-
- Buildings	0	0
- Machinery	0	5
- Others	1	1
Data Processing Charges	0	1
Auditors' remuneration	1	1
Travel and Conveyance	6	10
Freight, delivery and shipping charges	40	-
Advertisement and publicity	0	-
Printing, stationery and communication	0	1
Corporate social responsibilities	-	-
Professional fees	28	27
Loss on sale of Fixed assets	-	-
Miscellaneous expenses	4	4
Total Other Expenses	**133**	**164**

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(in Indian Rupees)

Income tax recognised in profit or loss **Note No 20**

	Year ended	
	31.03.2026	**31.03.2025**
Current tax		
In respect of the current year		
In respect of the prior year	-	-
Other (describe)	-	-
	-	-
Deferred tax		
In respect of the current year	-	-
Adjustment to deferred tax attributable to changes in tax rates and laws	-	-
	-	-
Total income tax recognised in the current year	-	-

Income tax reconciliation

Profit before tax	**405**	**(111)**
Tax expenses reported during the year	-	-
Income tax expenses calculated at 25.168%	-	-
Difference	-	-
Differential tax impact due to the following (tax benefits) / tax expenses		
Dividend income - Section 80M Deduction		
Depreciation on leasehold building /Building revaluation		
Tax on Fair Market value of Shares acquired	-	-
Others - Corporate Social Responsibility		
Others - Depreciation on Project I assets (permanent diff)	-	-
Others		
Total - Differential tax impact due to the following (tax benefits) / tax expenses	-	-
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

Deferred tax		
Arising on income and expenses recognised in other comprehensive income		
Re-measurement of defined benefit obligation	-	-
Re-measurement of Equity Instruments through Other Comprehensive Income	(494.17)	1,266.56
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	(494.17)	1,266.56
Items that may be reclassified to profit or loss	-	-

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR Road, Chennai 600 018.

Southern Energy Development Corporation Limited
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(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. Pluss Advanced Technologies Private Limited
k. CUMI Awuko Abrasives GmbH, Germany
l. Rhodius Abrasives GmbH, Germany.
m. CUMI USA INC

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 31.03.2026	During the year ended 31.03.2025
Sale of Shares of Carborundum Universal Limited	0	9650
Income from energy sales	146	1,576
Dividend income	58	98
Payables	8	6
Advance received from Customer	-	843
Receivables	43	28

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(Rupees in lakhs)

	Particulars	31-03-2026	31-03-2025
22	**Contingent liabilities and capital commitments**		
I	**Contingent liabilities**		
	(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
	(iii) Outstanding Earnest Money Deposit Bank Guarantee	0	54
	(iv) Goods and Services Tax. Financial Year 2024 -25. (To appeal against the said notice on account of legal and factual deficiencies)	19	19
	(v) Customs Classification Dispute SEDCO has filed an appeal before the Commissioner of Customs (Appeals), Chennai against the Order in Original passed in the matter relating to classification of imported spares for the Caterpillar G3612 natural gas genset. While the statutory pre deposit requirement is only 7.5% of the duty demanded, the Company has paid the entire duty amount upfront, under protest, purely as a prudent measure to mitigate any potential interest exposure during the pendency of litigation. The appeal has been duly acknowledged and admitted by the appellate authority. Management, based on detailed technical evaluation and external legal opinion, believes the case is strong on merits, as the disputed items are system level genset spares and independently classifiable goods, and not parts of an engine falling under heading 8409, as alleged by the Revenue. Legal counsel has advised that the matter is well defendable at the appellate stage, with limited financial and litigation risk. Contingent Liability : Rs 32.59 lakhs. Prepaid Deposit paid : Rs 13.30 lakhs.	33	0
	Claims against the Company not acknowledged as debt		
a.	Electricity Tax on consumption & duty on generation demanded by TNEB 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
II	**Capital commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	0	16
23	**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**		
	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.	-	40
24	**Employee benefits** **A. GRATUITY**		
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.	6	8

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(Rupees in lakhs)

	Particulars	31-03-2026	31-03-2025
b	The details of actuarial valuation in respect of gratuity liability in respect of the company are given below:		
	Mortality table used	IALM (2012-14) Ult	IALM (2012-14) Ult
	Ind AS 19	**Projected Unit Credit Method**	**Projected Unit Credit Method**
	Period Covered		
	Change in defined benefit obligation	**31-03-2026**	**31-03-2025**
	Defined benefit obligation at beginning of period	41	51
	Service cost	3	
	Benefits paid	4	4
	b. Past service cost		-
	c. (Gain) / loss on settlements	(6)	(11)
	Interest expenses	3	3
	Cash flows	-	-
	a. Benefit payments from plan	-	-
	b. Benefit payments from employer	-	-
	c. Settlement payments from plan	-	-
	d.Settlement payments from employer	-	-
	Remeasurements	-	-
	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	-	-
	Defined benefit obligation at end of period	**37**	**41**
	Change in fair value of plan assets	**31-03-2025**	**31-03-2025**
	Fair value of plan assets at beginning of period	19	13
	Interest income	1	1
	Cash flows		
	a. Total employer contributions		
	(i) Employer contributions	5	6
	(ii) Employer direct benefit payments	(4)	-
	(iii) Employer direct settlement payments	-	-
	b. Participant contributions	-	-
	c. Benefit payments from plan assets		(0)
	d. Benefit payments from employer	-	-
	e. Adjustments to opening assets	(0)	1
	f. Settlement payments from employer	-	-
	Remeasurements	-	-
	a. Return on plan assets (excluding interest income)	-	-
	Transfer In /Out		
	a. Transfer In	-	-
	b. Transfer out	-	-
	Fair value of plan assets at end of period	**22**	**19**
	Amounts recognized in the statement of financial position	**31-03-2026**	**31-03-2025**
	Defined benefit obligation	37	41
	Fair value of plan assets	(22)	(19)
	Funded status	15	22
	Effect of asset ceiling	-	-
	Net defined benefit liability (asset)	**15**	**22**

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Notes forming part of the Standalone financial statements for the year ended 31st March 2026

(Rupees in lakhs)

	Particulars	31-03-2026	31-03-2025
	Components of defined benefit cost	**31-03-2026**	**31-03-2025**
	Service cost		
	a. Current service cost	4	3
	b. Past service cost	-	-
	c. (Gain) / loss on settlements		
	Total service cost	4	3
	Net interest cost	2	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		
	Remeasurements (recognized in other comprehensive income)		
	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	6.31	-
	Total defined benefit cost recognized in P&L and OCI	**2.07**	**5**
	Re-measurement	**31-03-2026**	**31-03-2025**
	a. Actuarial Loss/(Gain) on DBO	6	(11)
	b. Returns above Interest Income		1
	c. Change in Asset ceiling	-	-
	Total Re-measurements (OCI)	6	(9)
	Employer Expense (P&L)	**31-03-2026**	**31-03-2025**
	a. Current Service Cost	4	4
	b. Interest Cost on net DBO		2
	c. Past Service Cost		-
	d. Total P& L Expenses	4	6
	Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation is given below:		
	Particulars	**31-03-2026**	**31-03-2025**
	Discount rate - 100 basis point higher	(34)	(37)
	Discount rate - 100 basis point lower	40	46
	Salary escalation rate - 100 basis point higher	39	44
	Salary escalation rate - 100 basis point lower	(34)	(38)
	Assumptions :		
	Interest / Discount Rate	7	6.70%
	Expected Salary Escalation	10%	10%
c	**Provident fund**		
	This scheme is managed by the Regional Provident Fund Commissioner	5	7
	B. LEAVE ENCASHMENT		
	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:	**31-03-2026**	**31-03-2025**
	Change in Defined Benefit Obligation		
	Defined Benefit Obligation at the beginning of the year	16	17
	Service Cost	1	2
	Interest Cost	1	1
	Benefits paid by Employer	(4)	(0)
	Actuarial (Gain)/ Loss	0	(4)
	Defined Benefit Obligation at the end of the year	**15**	**16**
	Change in Fair Value of Assets		
	Net Defined Benefit Asset / (Liability)	-	-
	Defined Benefit Obligations	-	-
	Fair Value of Plan Assets	-	-
	(Surplus) / Deficit	-	-
	Net Defined Benefit Liability / (Asset)	-	-
	Amount Recognised in Profit and Loss Account		
	Net defined benefit Liability / (Asset) at prior period end	16	17
	Defined Benefit Cost included in P & L	(1)	(1)
	Direct benefit payments made by Employer		
	Net defined benefit Liability / (Asset) at end of period	**15**	**16**
25	**Segmental Disclosure**		
	The Company operates in one segment and is in the business of energy / electricity sales generated from solar energy and sale of solar modules		

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(Rupees in lakhs)

	Particulars	31-03-2026	31-03-2025
26	a.Value of imports on CIF basis	3	359
	b.Expenditure in foreign currency	-	
27	**Auditors' remuneration**		
	For Statutory audit	1	1
	For Tax audit	0	0
	Total	1	1

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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

Particulars	FY 2025-26	FY 2024-25
Net profit for the year	405	(111)
Weighted average number of equity shares outstanding during the year	4,60,008	4,60,008
Earnings per share - Basic and Diluted (in Rs.)	89	(24)
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

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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	
	31.03.2026	31.03.2025
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Equity investments	0	0
(ii) Derivative instruments designated in hedge accounting relationship		
Measured at fair value through Other comprehensive income (FVTOCI)		
(i) Equity investments	11,242	15,325
Measured at amortised cost		
(a) Cash and bank balances	594	80
(b) Other financial assets at amortised cost	235	9,683

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.

Sundaram & Srinivasan * Chartered Accountants * New No:4, Old No:23, C.P. Road, Chennai 600 018.

Note No.29

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2026:

Particulars	Carrying amount	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Non-current financial liabilities						
Borrowings and interest thereon	-	-	-	-	-	-
Finance lease liability	-	-	-	-	-	-
Current financial liabilities						
Borrowings and interest thereon	-	-	-	-		-
Trade payables	137	137	-	-	-	137
Finance lease liability	-	-	-	-	-	-
Other financial liabilities	6	6	-	-	-	6

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2025:

Particulars	Carrying amount	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Non-current financial liabilities						
Borrowings and interest thereon	-	-	-	-	-	-
Finance lease liability	-	-	-	-	-	-
Current financial liabilities						
Borrowings and interest thereon	-	-	-	-		-
Trade payables	137	137	-	-	-	137
Finance lease liability	-	-	-	-	-	-
Other financial liabilities	1,015	1,015	-	-	-	1,015

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts (if any) as at 31 March 2026:

Particulars	Carrying amount	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Non-current financial assets						
Other financial assets	0	0	-	-	-	0
Current financial assets						-
Trade receivables	231	231				231
Advance to employees	4	4	-	-	-	4
Inter corporate deposits	-	-	-	-	-	-

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Notes forming part of the Standalone financial statements for the year ended 31st March 2026

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 2025:

Particulars	Carrying amount	upto 1 year	1-3 years	3-5 years	More than 5 years	Total contracted cash flows
Non-current financial assets						
Other financial assets	0	-	-	-	0	0
Current financial assets	-	-	-	-	-	-
Trade receivables	56	56	-	-	-	56
Advance to employees	5	5	-	-	-	5
Inter corporate deposits	-	-	-	-	-	-

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 31.03.2025	As at 31.03.2025		
Investments in quoted equity instruments in holding company at FVTOCI	11,242	14,697	Level 1	Qouted bid price in an Active Market (refer note below)
Investments in unquoted equity instruments at FVTOCI	-	628	Level 3	
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.

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Notes forming part of the Standalone financial statements for the year ended 31st March 2026

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	31.03.2026		31.03.2025	
			Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortised cost:						
Non-current financial assets						
Other financial assets						
Other deposit		Level 3	0	0	0	0
Current financial assets			-	-	-	-
Trade receivables		Level 3	231	231	56	56
Other financial assets			-	-	-	-
Advances to employees		Level 3	4	4	5	5
Inter- corporate deposit		Level 3	-	-	-	-
Other advances		Level 3	-	-	-	-
Financial liabilities held at amortised cost:			-	-	-	-
Non-current financial liabilities			-	-	-	-
Borrowings and interest thereon		Level 3	-	-	-	-
Finance lease and interest thereon		Level 2	-	-	-	-
Current financial liabilities			-	-	-	-
Borrowings and interest thereon		Level 3	-	-	-	-
Trade payables		Level 3	137	137	137	137
Others financial liabilities			-	-	-	-
Finance lease and interest thereon		Level 2	-	-	-	-
Others financial liabilities		Level 3	6	6	1,016	1,015

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.

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR Road, Chennai 600 018. CHARTERED ACCOUNTANTS

Corporate Social Responsibility (CSR) **Note No.30**

(Rupees in lakhs)

During the year, the Company did not incur any expenditure (Previous Year Rs. NIL) towards Corporate Social Responsibility against NIL to be spent (Previous year: Rs. NIL lakhs) as per provision of Section 135 of the Companies Act, 2013 read with relevant schedule and rules made thereunder.

Particulars	FY 2025-26	FY 2024-25
	-	-
Total CSR Expenditure	-	-

SUNDARAM & SRINIVASAN New No:4, Old No:23, CPR Road, Chennai 600 018. CHARTERED ACCOUNTANTS

Southern Energy Development Corporation Limited

Notes forming part of the Standalone financial statements for the year ended 31st March 2026

Note 31

RATIOS

S.No	RATIOS	Description	2025-26 Amount	2024-25 Amount	2025-26 Amount	2024-25 Amount	Favourable / (Adverse) in	REMARKS
1	Current Ratio	Current Assets Current Liabilities	1,243 158	9,986 1,916	7.87	5.21	51.10	Increase in Current Ratio on account of a. Advance paid to Solar Vendors b Credit offered to Solar Customers
2	Debt Equity Ratio		-	-	-	-		
3	Debt Service Coverage Ratio		NA	NA	NA	NA		
4	Return on Equity Ratio	PAT Net worth	405 17,669	(111) 27,421	2%	0%	(668.61)	Improvement in operating profit on account of closure of Gas operations and pick up in Solar Business
5	Inventory Turnover Ratio		NA	NA	NA	NA		
6	Trade Receivable Turnover Ratio	Net Sales Average Accounts Receivable	1,552 143	2,967 64	10.82	46.33	(76.64)	Increase in percentage share of Sale of solar power equipment which has higher credit days
7	Trade Payables Turnover Ratio	Cost of Materials Consumed Average Accounts Payable	1,001 137	2,799 261	7.31	10.71	(31.75)	Advance settlement of suppliers.
8	Net Capital Turnover Ratio	Net Sales	1,552	2,967	1.43	0.37	289.17	
		Working Capital	1,085	8,070				
9	Net Profit Ratio	Net Sales Profit after tax	1,552 405	2,967 (111)	26.11%	-3.73%	(800.31)	Improvement in operating profit on account of closure of Gas operations and pick up in Solar Business
10	Return on Capital Employed	EBITDA Capital Employed	441 5,309	(60) 27,375	8%	0%	(3,901.25)	Increase in Return on account of better utilisation of resouces.
11	Return on Investment	Return on Investment : (FMV as on closing date - FMV as on Opening date - Outflow + Dividend) /(opening FMV + Outflow)	-3288 14588	-16379 31065	(0.23)	(0.53)	(57.25)	Drop in Share Price of CUMI

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

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, C.P. Road, Chennai 600 018.

Southern Energy Development Corporation Limited
Notes forming part of the Standalone financial statements for the year ended 31st March 2026

32 **Changes in Accounting Policy**
There are no changes to the Accounting policies of the company in comparison to that in the previous year.

33 **Financial impact of Covid-19 lockdown for the financial year under review and events after the reporting period**

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 2025-26. The Company continues to monitor the economic effects of the pandemic and its likely future impact on the business.

34 **Transactions with struck off Companies**
The Company has no transactions with the Companies struck off under Companies Act, 2013 or Companies Act 1956.

35 **Wilful Defaulter**
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 **Transactions in Crypto Currency or Virtual Currency**
The Company has not traded or invested in crypto currency or virtual currency during the current year and previous year.

37 **Details of Benami Property Held**
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 **Undisclosed income**
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 **Registration of charges or satisfaction with Registrar of Companies (ROC)**
This clause is not applicable to this company as the company has no borrowings.

40 **Compliance with number of layers of companies**
This clause is not applicable to this company as the company has no subsidiaries.

41 **General**

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. The agreement with ONGC was expired on 31st December 2024 and there after not renewed. The Management of the Company took the decision for closure of its Gas plant on account of the continous losses incurred

b. On account of the above closure of the Gas operations, all fixed assets (except land) has been fully depreciated and written off in the books of accounts. Since 2025, SEDCO had been scouting potential buyers towards the sale of the assets relating to Gas Business, specifically the Plant & Machinery and associated components. In this regard, SEDCO finalised the transaction in April 2026, with the Sale Agreement duly executed. Under the terms of the deal, the buyer will dismantle and take possession of the equipment, while the land will be retained by the Company.

c. The company has also entered into Solar power sale agreement with group companies for a period of 25 years based on the estimated useful life of the Solar power asset.

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.

e With respect to the Energy generated from Sale of Energy (Generated through Solar Energy), the power tariffs are computed in accordance to the Order released by TANGEDCO on 11th December 2014 on Suo Motu Determination of Tariffs for Generation and Distribution. This tariffs are applicable to all manufacturing and industrial establishments and registered factories. The latest rate computed and charged for Solar Energy Sales in accordance to the above guidelines is Rs. 8.32 per unit.

In terms of our report attached

For Sundaram and Srinivasan
Chartered Accountants
FRN : 004207S

P. Menakshi Sundaram
Partner

Membership Number : 217914

Place : Chennai
Date : 17/04/2026

For Southern Energy Development Corporation Limited

Bhaskharan Kannun
Director
DIN: 10147757

Ravi Venugopal
Director
DIN: 07569285

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS *
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SOUTHERN ENERGY DEVELOPMENT CORPORATION LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2026

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 operated a 5 MW, Natural Gas based power plant located at Nallur, Mannargudi (Taluk) up to December 2024.

The company was procuring Natural Gas from ONGC (agreement with ONGC terminated in December 2024) 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.

With respect to Solar business SEDCO is having 8 OPEX plants (1.7 MWp Capacity) across CUMI group with total investment of Rs.8.3 crores. The energy generated is transferred directly to TANGEDCO grid from Solar Power Plants.

The company is also into the business of sale and installation of solar power systems to various customers.

B. Material 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 transaction 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

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).

Accordingly, all assets (except land) have been fully depreciated with respect to Gas Business as the ONGC agreement had not been renewed.

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.

Capitalization of Solar Power Plants is depreciated over the life cycle of 25 years from the date of installation.

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.

v. Revenue recognition

Revenue is recognized 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.

vi. Non - current assets - Investments

Investments 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.

C. Other significant accounting policies

i. 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.

ii. 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.

iii. 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).

iv. 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.

v. 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.

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CHARTERED ACCOUNTANTS

SOUTHERN ENERGY DEVELOPMENT CORPORATION LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2026

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.

vi. 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.

vii. 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.

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