SEPSET CONSTRUCTIONS LIMITED

328-329, 'G' Wing, Kanakia Zillion, LBS Road, BKC Annex, Kurla (w), Mumbai- 400070, Tel: +91-22-6286 5600
Fax: +91-22-6286 5601, Email ID: info@vector-green.com, website: www.vector-green.com

Date: 24th June 2022

The Manager-Debt Listing
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001.

Reference: Sepset Constructions Limited -Scrip Code: 973292; ISIN – INE961M07017

Sub: Annual Report for FY 2022 AND NOTICE OF 15TH ANNUAL GENERAL MEETING (AGM)

Dear Sir/Madam,

Pursuant to Regulation 50(2) & 53(2) read with part B of Schedule Ill of the SEBI (Listing Obligations and Disclosure Requirements) Regulations. 2015, please find enclosed the following:-

- Notice of 15th AGM scheduled to be held at a shorter notice on Friday, 01st July 2022
- Annual Report for Financial year 2022

Aforesaid documents are also available on the website of the Company, i.e., https://www.vector-green.com/Sepset/

Kindly take the same on record.

Yours faithfully,

For **Sepset Constructions Limited**

A.D. Babur

Anisha Babur
Company Secretary & Compliance Officer

CC:
Axis Trustees Services limited,
Axis House, Bombay Dyeing Mills Compound,
Pandhurang Budhkar Marg,
Worli Mumbai - 400 025

VECTOR
green energy

SEPSET CONSTRUCTIONS LIMITED

ANNUAL REPORT

FINANCIAL YEAR 2021-22

Corporate Information

Details of the Company

Sepset Construction Limited

CIN: U45300DL2007PLC163109
Registered Office: 101,1st Floor, Naurang Bhawan, 21 Kasturba Gandhi Marg, New Delhi- 110001
Corporate Office: 328-329, G -Wing, Kanakia Zillion LBS Road, BKC Annex, Kurla West, Mumbai-400070, Maharashtra, India
Telephone: +91 22 62865600
Website: www.vector-green.com/Sepset/

Auditors

Statutory Auditors

B S R & Co. LLP
(ICAI Firm Registration No 101248W/W-100022)

Registrar and Transfer Agent

KFin Technologies Private Limited
(formerly known as Karvy Fintech Private Limited)
Selenium Building, Tower-B, Plot no 31&32,
Financial District, Nanakramguda, Serillingampally,
Hyderabad, Rangareddi, Telegana - 500 032
Tel.: +91 40 6716 2222 | Web: www.kfintech.com

Debenture Trustee

Axis Trustee Services Limited

The Ruby, 2nd Floor, SW, Senpati Bapat Marg
Dadar West, Mumbai- 400028
Tel:. 022 22 62300446 | Web: www. axistrustee.com

Company's Bankers

Axis Bank Limited, Nariman point

NOTICE

NOTICE IS HEREBY GIVEN THAT 15TH ANNUAL GENERAL MEETING OF THE MEMBERS OF SEPSET CONSTRUCTIONS LIMITED ("COMPANY") IS SCHEDULED TO BE HELD ON FRIDAY, JULY 1, 2022 AT 2.50 PM AT A SHORTER NOTICE THROUGH VIDEO CONFERENCING TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

Item no. 1: To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and Statutory Auditors thereon

Item no. 2: To consider appointment of a Director in place of Mr. Sameer Mathur (DIN: 06642754) who retires by rotation and being eligible offers himself for re-appointment".

By Order of the Board of Directors
For Sepset Constructions Limited

Thirunelloy Chellappa Pattabiraman
Director
DIN 07086771

Date: 23.06.2022
Place: Mumbai
Registered Office:
101, 1st Floor, Naurang Bhawan,
21 Kasturba Gandhi Marg, New Delhi 110001

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated 13/01/2021 and Circular No. 20/2021 dated 08.12.2021, General Circular No. 2/2022 dated 05.05.2022 (collectively "MCA Circulars"), permitted companies to conduct Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means, subject to compliance of various conditions mentioned therein.

2. The AGM is being held pursuant to the MCA Circulars through VC / OAVM where physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence proxy form and attendance slip are not annexed to this notice

3. In terms of Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, the venue of the AGM/2021-22 shall be deemed to be the Registered office situated at 101,1st Floor, Naurang Bhawan, 21 Kasturba Gandhi Marg, New Delhi, DL 110001 IN

4. Unless poll is demanded, all resolutions will be passed through show of hands. The designated email address for conveying vote on poll if required is corp.secretarial@vector-green.com.

5. Members whose email addresses are not registered with the Company can register themselves by providing requisite details of their holding and self-attested PAN for Indian national and self-attested Passport for foreign national for registering their email address on corp.secretarial@vector-green.com

6. In case of any assistance required before or during the AGM, Members can contact on 9167000330 or can write on corp.secretarial@vector-green.com.

7. As per the provisions under the MCA Circulars, Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

8. The facility of joining the AGM through VC / OAVM shall be kept open for 15 minutes before the time schedule of the meeting and shall not be closed till expiry of 15 minutes after such schedule time.

9. In compliance with the aforesaid MCA circulars, Notice of the AGM along with the Annual report for the F.Y. 2021-22 is being sent through electronic mode to all the members whose Email ID's are registered with the Company.

10. Members will be able to attend the AGM through VC/OAVM by using the following link

    Link: Click here to join the meeting

11. Corporate Members are requested to send a scanned copy (PDF/JPG Format) at corp.secretarial@vector-green.com before attending the AGM, a duly certified copy of the Board resolution under section 113 of the Companies Act, 2013 / letter of authorization, authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote at the meeting by show of hands.

12. Register of Directors' and Key Managerial Personnel and their shareholding, maintained u/s 170 of the Companies Act, 2013, and the Register of Contracts or Arrangement in which the directors are interested maintained u/s 189 of the Companies Act, 2013 will be available electronically for inspection by members during the AGM. Any member seeking inspection of such documents may write an email to corp.secretarial@vector-green.com .

13. Information of Director retiring by rotation as per Secretarial Standards is enclosed as **Annexure I.**

14. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

15. Members who may like to provide their views / ask questions during the AGM may submit their questions in advance on corp.secretarial@vector-green.com on or before 28th June, 2022. Those members who register themselves as speaker(s) will be allowed to provide views / ask questions during the AGM. The Company reserves the rights to restrict the number of questions and number of speakers, depending upon the availability of time for smooth conduct of the AGM.

By Order of the Board of Directors
For Sepset Constructions Limited

Thirunelloy Chellappa Pattabiraman
Director
DIN 07086771

Date:23.06.2022
Place: Mumbai
Registered Office:
101, 1st Floor, Naurang Bhawan,
21 Kasturba Gandhi Marg, New Delhi 110001

Annexure 1

Information pursuant to Secretarial Standards in respect of appointment/re-appointment of a Director:

Mr. Sameer Mathur (DIN: 06642754) retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

Name of Director	Mr. Sameer Mathur
Type	Director (Professional)
Age	52 Years
Date of Birth	12/06/1970
Qualification	BE (Electrical), PGDM in Business Management
No. of Equity Shares held	1 Share (As a Nominee of Vector Green New Energies Private Limited)
Expertise/Experience	28+ years of experience across project development, asset management, business development and M&A
First Appointment on the Board	07/11/2019
Terms and conditions of appointment/re-appointment	Appointment as a Director retiring by rotation
Remuneration details	NIL
Remuneration last drawn	NIL
Directorship held in other Companies	1. Vector Green Surya Urja Private Limited 2. Vector Green Sunshine Private Limited 3. Malwa Solar Power Generation Private Limited 4. Yarrow Infrastructure Private Limited 5. Vector Green Prayagraj Solar Private Limited 6. Priapus Infrastructure Limited 7. Vector Green New Energies Private Limited 8. Pasithea Infrastructure Limited 9. Vector Green Sunrise Limited 10. Citra Real Estate Limited 11. Vector Green Newsolar Private Limited

Particulars of Committee Chairmanship /membership held in other Companies	NIL
Relationship with other Directors and other KMP's interse	None
Number of Board meetings attended during the year	9 (Nine)

DIRECTORS REPORT

Dear Members,

The Directors of your Company takes pleasure in presenting the 15th Annual Report on the business and operations of your Company and the Audited Financial Statements for the financial year ended March 31, 2022.

FINANCIAL RESULTS:

The performance of the Company for FY2021-22 is summarised herein below:

(Amount in INR)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Operations	41,31,23,010	41,71,30,330
Profit /loss before depreciation and income tax	19,35,38,620	17,88,57,930
Depreciation	9,01,52,740	8,98,42,970
Profit/(Loss) before income tax	10,33,85,880	8,90,14,960
Tax expenses & Deferred Tax Credits & MAT Credit W/o	3,07,31,780	8,62,27,490
Profit/(Loss) for the year (PAT)	7,26,54,100	27,87,470

RESULT OF OPERATIONS

During the year, the revenue from operations of the company was Rs. 41,31,23,010 as compared to Rs. 41,71,30,330 earned during the previous year. The profit before Depreciation and Income Tax for the year is Rs. 19,35,38,630 as compared to Rs. 17,88,57,930 for the previous year.Profit after tax for the current year is Rs 7,26,54,120 as against profit of Rs. 27,87,470 for the previous year.

TRANSFER TO RESERVES

In accordance with Section 71(4) of the Companies Act 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and Companies (Share Capital and Debentures) Amendment Rules 2019, out of the profits of the Company, 10% of the value of Debenture outstanding is required to be maintained as Debenture Redemption Reserve (DRR). During the year ended March 31, 2022, the entire available profit amounting to Rs. 7,26,54,100 has been transferred to Debenture Redemption Reserve.

PROJECT OPERATIONS

The Company is engaged in development, ownership and operation of two utility scale solar power projects of 42 MW (57.4MWp DC).

The project is located in Katol, Maharashtra in a MIDC Industrial Estate. The projects were successfully completed in November 2011 for MSEDCL and May 2017 for SECI (Commercials Operations Date) and have demonstrated a successful operating track record of over 10 years and 5 years respectively. The power is sold to MSEDCL and SECI under the 25 year Power Purchase Agreement (PPA).

DIVIDEND

No dividend has been recommended by the Board for the financial year ended March 31, 2022

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE FINANCIAL YEAR END MARCH 31, 2022 AND DATE OF THIS REPORT:

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

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENT AS ON MARCH 31, 2022

Being an Infrastructure Company, the Company is exempted under section 186 of the Companies Act, 2013 with respect to Loans and Guarantees given. However, the details of Loans, Guarantees and Investments covered under the provisions of the Companies Act, 2013 are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS:

The transactions entered into with related parties during the financial Year were in the ordinary course of business and on an arm's length pricing basis as defined under the Companies Act, 2013 and do not attract the provisions of Section 188 of the Act. The details of related parties' transactions under Rule 8(2) of the Companies (Accounts) Rules, 2014 are enclosed as **Annexure I** in Form AOC-2.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there has not been any change in the nature of business of the Company.

DEPOSITS

The Company has neither accepted / renewed any deposits from public during the year nor has any outstanding Deposits in terms of Section 73 of the Companies Act, 2013.

SHARE CAPITAL

The Company's Paid-up Equity share capital was Rs. 23,41,54,360 comprising of 2,34,15,436 Equity shares of Rs. 10/- each. The Company has not issued any shares during the year under review.

The Company has neither issued share with differential voting rights nor granted any stock options or sweat equity or Bonus Shares. Further, the Company has not bought back any of its securities during the year under review.

DEBT STRUCTURE

i. LISTED NCDs OF FACE VALUE OF RS.10,00,000 EACH

The Company has issued 1970 Senior, Secured, Rated, Listed, Non-cumulative, Redeemable, Taxable, Rupee denominated NCDs of face value of Rs. 10,00,000 each aggregating to Rs. 197,00,00,000 on Private Placement basis on 1st July, 2021. The said NCDs carry an interest @ 6.49% p.a. payable quarterly fixed coupon and are listed on the Debt segment of the Bombay Stock Exchange (BSE) Limited on 6th July, 2021.

The said NCDs are issued for a period of 3 years. The NCDs are rated "CRISIL AAA/Stable" by CRISIL vide letter dated 13th May 2022 and "IND AAA (CE)/Stable" by India Ratings & Research vide letter dated 2nd July 2021.

ii. COMPULSORY CONVERTIBLE DEBENTURE ("CCDs"):

The Company has issued CCDs. The details outstanding as on 31st March, 2022 are as follows:

Name	Type	Number	Rs. Per CCD	Total Amount
Sepset Constructions Series A	CCD	2,18,46,849	Rs. 10/-	21,84,68,490
Sepset Constructions Series B	CCD	2,11,00,000	Rs. 10/-	21,10,00,000

LARGE CORPORATE DISCLOSURE

The Company is identified as Large Corporate pursuant to SEBI circular bearing reference no. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 and BSE circular bearing reference no. LIST/COMP/05/2019-20 dated April 11, 2019.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls across the organisation commensurate with the size of its operations. The same is subject to periodic review by the Internal Auditors for its effectiveness. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

BOARD OF DIRECTORS

As on 31st March, 2022, the Board comprises of 4 Directors i.e Mr. Abhishek Goel, Mr. Sameer Mathur, Mr. Thirunelloy Chellappa Pattabiraman and Mr. Sivaramakrishnan Vijayaraghavan. There is no change in the composition of the Board during the year under review.

Mr. Sameer Mathur (DIN: 06642754) retires by rotation and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting.

KEY MANAGERIAL PERSONNEL

Mr. Ankit Kalria ceased to be a Company Secretary w.e.f 16th June, 2021. Ms. Priya Chaudhary was appointed as a Company Secretary w.e.f 17th June, 2021 in his place.

Ms. Priya Chaudhary ceased to be a Company Secretary w.e.f. 28th August, 2021. Ms. Anisha Babur was appointed as the Company Secretary and a Compliance Officer w.e.f. 17th September, 2021 in her place.

The Board places on record its appreciation towards the valuable contribution made by Mr. Ankit Kalria and Ms. Priya Chaudhary during their tenure as a Company Secretary of the Company.

MEETINGS OF THE BOARD

During the financial year 2021-22, the Company had 9 meetings. These were held on 5th June, 2021, 7th June, 2021, 11th June, 2021, 17th June, 2021, 1st July, 2021, 17th September, 2021, 27th September, 2021, 12th November, 2021 and 10th February, 2022.

Time gap between two consecutive Board meetings was not more than one hundred twenty (120) days.

The details of attendance of the Directors during the year under review is as under:

Name of Director	Category	Attendance		
		Entitled	Attended	Attendance last AGM held on 30.06.2021
Mr. Abhishek Goel	NED	9	8	Yes
Mr. Sameer Mathur	NED	9	9	Yes
Mr. Thirunelloy Chellappa Pattabiraman	NED	9	9	Yes
Mr. Sivaramakrishnan Vijayaraghavan	NED	9	9	Yes

* Non Executive Director-NED

COMMITTEES

Provisions of section 177 and section 178 of the Companies Act, 2013 relating to constitution of Audit Committee and Nomination & Remuneration committee are not applicable to the company.

SECRETARIAL STANDARDS

Your Directors state that the Company is in compliance with the applicable Secretarial Standards as issued by the Institute of Company Secretaries of India and approved by Central Government under Section 118(10) of the Companies Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors would like to inform that the audited accounts containing the Financial Statements for the year ended March 31, 2022 are in conformity with the requirements of the Companies Act, 2013 and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations.

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The directors had prepared the annual accounts on a going concern basis; and

e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that systems were adequate and operating effectively.

DECLARATION OF INDEPENDENT DIRECTORS:

The Company is not required to appoint Independent Directors under the provisions of the Companies Act, 2013 and hence statement on declaration of independence under Section 149(6) of the Companies Act, 2013 is not applicable.

AUDITORS AND AUDITORS REPORT

STATUTORY AUDITOR

M/s. BSR & Co. LLP., Chartered Accountants, bearing Registration Number: FRN: 101248W/W-100022, were appointed as the Statutory Auditors of the Company by the members for a term of consecutive five (5) years i.e. till the conclusion of the Annual General Meeting to be held for the financial year ended 31st March 2025.

Observations of Statutory Auditors on Financial Statements for the year ended 31st March 2021

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Fraud Reported by Auditors

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Board under Section 143(12) of the Companies Act 2013, details of which needs to be mentioned in this report.

MAINTENANCE OF COST RECORDS

The maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of the Section 148 of the Companies Act, 2013 in respect of the activities carried on by the Company.

ANNUAL RETURN

As required under the provisions of sections 92(3) and 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return of the Company for FY 2020-21 is uploaded on the website of the Company i.e. https://www.vector-green.com/Sepset/

Further, Annual Return of the Company for FY 2021-22 will be filed with the Ministry of Corporate Affairs in due course within the prescribed timelines and a copy of the same shall be uploaded on the website of the Company i.e. https://www.vector-green.com/Sepset/

PARTICULARS OF EMPLOYEES

No employee was employed by the Company receiving remuneration prescribed under Section 197 of the Companies Act, 2013 and the rules framed thereunder

CONSERVATIONOF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 are set out as under:

A. Conservation of Energy:

- Your Company along with its fellow subsidiaries are engaged in the business of generation of energy using solar energy
- Your Company is already engaged in the business of generation of energy using solar energy and thereby using eco-friendly source of generation of energy.
- Since most of the plants of the Company are connected with state transmission utilities, the Company is not required to conserve the energy generated out of the power plants.

B. Technology Absorption:

I) Efforts made towards technology absorption:

- We have been experimenting with our value engineering approach to make our projects more economically viable to improve efficiency, plant availability and output and, as a result, profitability.
- Your Company is developing analytics to predict failure & residual life assessment of transformers by monitoring parameters viz. efficiency, winding/ oil/ core quality, cooling system.

II) Benefits derived like product improvement, cost reduction, product development or import substitution:

- Reduction in cost and optimization of power generation.

III) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

Not applicable

IV) Expenditure incurred on Research and Development:

Not applicable

C. Foreign Exchange Earnings and Outgo:

During the year there was no foreign exchange inflow or outflow.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 are applicable to the Company.

The Company has framed and implemented an amended Corporate Social Responsibility (CSR) policy w.e.f. 10th February, 2022. The Company aims to contribute positively towards economic growth and social development of society through various programs.

The details of CSR are provided in **Annexure II** of the Annual report.

CSR COMMITTEE

The CSR Committee comprises of Mr. Sameer Mathur and Mr. Abhishek Goel since the constitution of the Committee until 9th February, 2022.

As per section 135(9) of the Companies Act, 2013, which came into effect on January 22, 2021, exemption has been granted to the Companies whose prescribed CSR expenditure does not exceed Rs. 50 Lakhs, from constitution of a CSR Committee.

The Company falls in the above-mentioned criteria and therefore the existing Corporate Social Responsibility (CSR) Committee has been discontinued w.e.f. 10th February, 2022.

SEXUAL HARRASMENT POLICY AND COMMITTEE:

The Company is a wholly owned subsidiary of Vector Green New Energies Private Limited (VGNEPL) which in turn is a wholly owned subsidiary of Vector Green Energy Private Limited (VGEPL) viz. Ultimate Holding Company. VGEPL has a policy in place which is applicable to its subsidiaries also. At present, the company is not required to constitute Internal Complaint committee as the number of employees are less than 10.

VIGIL MECHANISM

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014, the Company has established Vigil Mechanism for their Directors and employees to report their major concern and grievances. During the financial year ended March 31, 2022, the Company has not received any grievances or complaints.

RISK MANAGEMENT POLICY OF THE COMPANY

The Company has in place a mechanism to identify, assess, evaluate, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

SIGNIFICANT ORDERS PASSED BY REGULATORS/COURTS/TRIBUNALS

There are no significant orders passed by regulators/courts/tribunals which can impact the going concern status and Company's operations in the future.

DETAILS OF APPLICATION MADE OR ANY PROCEEDINGS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR AND STATUS AT THE END OF THE YEAR

There were no applications made and no proceedings were pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

DISCLOSURES APPLICABLE TO GREEN DEBT SECURITIES

Disclosures related to Green Debt Securities are given in **Annexure III** to the Directors report.

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to the Company's esteemed Shareholders, Debentureholders, Associates, Bankers, Consultants and the Government for their valuable contribution and continued support The Directors would also like to place on record their appreciation for the dedicated efforts and services put in by the employees of the Company.

For and on behalf of Board of Directors

Place: Mumbai
Date: 27th May, 2022

Abhishek Goel
Director
DIN: 05278410

T C Pattabiraman
Director
DIN: 07086771

Sepset Constructions Limited

SEPSET CONSTRUCTIONS LIMITED
328-329, 'G' Wing, Kanakia Zillion, LBS Road, BKC Annex, Kurla (w), Mumbai- 400070, Tel: +91-22-6286 5600
Fax: +91-22-6286 5601, Email ID: info@vector-green.com, website: www.vector-green.com

VECTOR green energy

ANNEXURE I

FORM NO. AOC -2

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

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

Details of contracts or arrangements or transactions not at Arm's length basis.

The Company has not entered into any contract or arrangement or transactions with its related parties which is not at arm's length during the financial year.

Details of contracts or arrangements or transactions at Arm's length basis.

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount Rs.	Amount paid as advances, if any
Vector Green Energy Private Limited Ultimate Holding Company	Reimbursement Expenses	as mutually agreed between parties	as agreed by the parties	-	99,28,770	NA
Vector Green Energy Private Limited Ultimate Holding Company	Management Fees	as mutually agreed between parties	as agreed by the parties	10.02.2022	77,86,190	NA

For and on behalf of Board of Directors

Sepset Constructions Limited

Place: Mumbai
Date: 27th May, 2022

Abhishek Goel
Director
DIN: 05278410

T C Pattabiraman
Director
DIN: 07086771

Annexure II

REPORT ON CORPORATE SOCIAL RESPONSIBILITY FOR FY 2021 -22

1. A brief outline on CSR policy of the Company:

The Company aims to contribute positively towards economic growth and social development of society through programs that will:

i. Enhance the quality of life and wellbeing of the local community around its operations with a focus on vulnerable and marginalized populations;
ii. Promote community development projects as per needs identified;
iii. Follow responsible business practices across its operations;
iv. Follow the respective law & legislations in its pursuit of environment protection and natural resource conservation at all its facilities;
v. Build organization capabilities and have an effective organization structure to ensure implementation of its community engagement and CSR programmes;
vi. Partner with Government, NGOs & business to achieve its community engagement and CSR goals; and
vii. Monitor CSR program implementation and conduct periodic third party evaluations to ensure our programs are responsive and aligned with the needs of the community we support.

2. Composition of CSR Committee:

As per section 135(9) of the Companies Act, 2013, which came into effect on January 22, 2021, exemption has been granted to the Companies whose prescribed CSR expenditure does not exceed Rs. 50 Lakhs, from constitution of a CSR Committee.

The Company falls in the above-mentioned criteria and therefore the existing Corporate Social Responsibility (CSR) Committee has been discontinued w.e.f. 10th February, 2022.

The CSR Committee comprises of Mr. Sameer Mathur and Mr. Abhishek Goel for the period until 9th February, 2022. Post that, the duties of the CSR Committee shall be discharged by the Board of Directors.

Sl. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sameer Mathur	Member	0	0
2	Mr. Abhishek Goel	Member	0	0

3. Web-link where ~~Composition of CSR committee~~, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The ~~Composition of CSR Committee~~, CSR Policy and CSR Projects approved by the Board is available on the website of the Company at :- https://www.vector-green.com/sepset/

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Not Applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
		Not Applicable	

6. Average net profit of the Company as per Section 135(5): (In INR)

Particulars	31-Mar-21	31-Mar-20	31-Mar-19
Profit under section 198	8,90,14,960	-12,72,82,340	6,14,86,560

Average net profit: INR. 77,39,726/-

7. (a)Two percent of the average net profit of the Company as per Section 135 (5) :

The Company is required to spend INR 1,54,795/- towards CSR.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - **NIL**

(c) Amount required to be set off for the financial year, if any- **NIL**

(d) Total CSR obligation for the financial year (7a+7b-7c). – **INR 1,54,795/-.**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
-	-	-	Prime Minister's Citizen Assistance and	Rs.	26th May, 2022

			Relief in Emergency Situations Fund (PM CARES Fund)	1,55,000/-	

Reason- The amount under CSR obligation is Rs. 1,54,795/- for FY 2021-22. The amount being trivial in nature, the Company decided to transfer the funds to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) as prescribed under Schedule VII of the Companies Act, 2013.

(B) Details of CSR Amount spent against **ongoing projects** for the Financial Year: **Not applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)
Sl. No	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/No).**	**Location of the project.**		**Project duration.**	**Amount allocated for the project (in Rs.).**
				state	**District**		
	(8)	(9)	(10)	(11)			
	Amount spent in the current financial Year (in Rs.).	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).**	**Mode of Implementation - Direct (Yes/No).**	**Mode of Implementation - Through Implementing Agency**			
				Name	**CSR**		

					Registration number.			
		Not Applicable						

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Nil

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl no.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project.**		**Amount spent for the project (in Rs.)**	**Mode of implementation - Direct (Yes/No)**	**Mode of implementation - Through implementing agency**	
				State.	**District**			**Name.**	**CSR registration number**
		Not Applicable							

(d) Amount spent in Administrative Overheads - **NIL**

(e) Amount spent on Impact Assessment, if applicable **- Not applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) **- NIL**

(g) Excess amount for set off, if any: Nil

Sl. No.	**Particular**	**Amount (in Rs.)**
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

SI No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
1.	2020-21						
2.	2019-20						
3.	2018-19						
	Total	-					

(b)Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1.	Not Applicable as the Company did not have any ongoing projects for fulfillment of its CSR obligations							
2.								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details): **Not Applicable as the Company has not acquired or created any capital assets through CSR spent in the financial year.**

(a) Date of creation or acquisition of the capital asset(s) – **Not Applicable**

(b)Amount of CSR spent for creation or acquisition of capital asset - **Not Applicable**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - **Not Applicable**

(d)Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). :

The Company has transferred the unspent amount of Rs. 1,55,000 to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) as prescribed under the Schedule VII of the Companies Act, 2013

The Board of your company hereby confirms that the CSR activities of the Company shall be in compliance with CSR objectives and Policy of the Company.

For and behalf of

Sepset Constructions Limited

Abhishek Goel
Director
DIN: 05278410

Sepset Constructions Limited

T C Pattabiraman
Director
DIN: 07086771

SEPSET CONSTRUCTIONS LIMITED
328-329, 'G' Wing, Kanakia Zillion, LBS Road, BKC Annex, Kurla (w), Mumbai- 400070, Tel: +91-22-6286 5600
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VECTOR green energy

DISCLOSURES APPLICABLE TO GREEN DEBT SECURITIES

Annexure III

1. List of project(s) and/ or asset(s) to which proceeds of the Green Debt Securities have been allocated/ invested including a brief description of such project(s) and/ or asset(s) and the amounts disbursed. In case any confidentiality agreements, restricts details of specific project(s) and/ or asset(s), then the areas in which such project(s) and/ or asset(s) shall be mentioned.

Project Name	Brief Description	Capacity (MWp)	Capacity (MW AC)	Off-taker	Allocation of Proceeds (INR Cr)
Sepset Construction Limited	Ground mounted PV Solar project located in Maharashtra	55	40	Solar Energy Corporation of India Limited	197 crores
Sepset Construction Limited	Ground mounted PV Solar project located in Maharashtra	2	2	Maharashtra State Electricity Distribution Company Limited.	

2. Qualitative performance indicators and, where feasible, quantitative performance measures of the environmental impact of the project(s) and/ or asset(s). If the quantitative benefits/ impact cannot be ascertained, then the said fact may be appropriately disclosed along with the reasons for non-ascertainment of the benefits/ impact on the environment.

   Vector Green group is committed to being best-in-class in ESG practices and to demonstrate our commitment, VG has been prepared the ESG policies and management system following IFC performance standards, WB EHS guidelines and Indian rules & regulations. We at VGEPL are continuously endeavouring to improve our climate risk management and alignment with TCFD best practices. The following environmental impacts / Benefits are envisaged in life cycle of the below listed projects.

   Sepset constructions Private Limited
   - Installed capacity in MWac: 42
   - Renewable Energy sold in MWh: 85,216
   - Greenhouse gas emissions avoided in tons of CO2e: 1,07,869
   - Number of equivalent households powered: 16,033

3. Methods and the key underlying assumptions used in preparation of the performance indicators and metrics;-

   All data presented above is based on the monthly factual data collection and verification process. CO2e calculations are done following the CEA user guide ver. 17.0 Oct 2020 on CO2 Baseline Database for the Indian Power Sector. Equivalent household powered reference taken from report by MOP on growth of electricity sector in India Oct, 2020 and ArcGIS Data 2020 on average Indian household size.

4. The Company who has issued green debt securities needs to disclose about compliance with globally accepted standard(s) for the issuance of green debt securities including measurement of the environmental impact, identification of the project(s) and/ or asset(s), utilisation of proceeds, etc.

   The company follows the IFC performance standards to comply with environmental and social management system.

For and on behalf of Board of Directors

Place: Mumbai
Date: 27th May, 2022

Abhishek Goel
Director
DIN: 05278410

T C Pattabiraman
Director
DIN: 07086771

Sepset Constructions Limited

B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai – 400063, India

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Independent Auditor's Report

To the Members of
Sepset Constructions Limited

Report on the Audit of the Financial statements

Opinion

We have audited the financial statements of Sepset Constructions Limited (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and the profit and the other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

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

Sepset Constructions Limited
Independent Auditor's Report

Key Audit Matters *(Continued)*

The key audit matter	How the matter was addressed in our audit
Recognition and measurement of Deferred Tax	
The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expense in accordance with the Income Tax Act and other applicable tax Laws. We have considered the assessment of deferred tax liabilities and assets as a key matter due to the importance of management's estimation and judgment and the materiality of amounts.	Principal Audit Procedures performed: – Tested the design and operating effectiveness of the Company's control over recognition of deferred tax assets, liabilities, income and expense. – Tested the management's under lying assumptions and judgments in assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards – We compared the future operating cash flow forecasts with the business plan and budgets approved by the Board. – We assessed the adequacy and appropriateness of the disclosures in the Note 38 to the financial statements.

Other Information

The Company's management and 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 financial statements and our auditor's report thereon.

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

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

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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

Sepset Constructions Limited
Independent Auditor's Report
Management's and Board of Directors' Responsibilities for the Financial Statements
(Continued)

design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Sepset Constructions Limited
Independent Auditor's Report
Auditor's Responsibilities for the Audit of the Financial Statements *(Continued)*

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company does not have any pending litigations as at 31 March 2022 which would impact its financial position in its financial statements - Refer Note 43 to the financial statements.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Sepset Constructions Limited
Independent Auditor's Report
Report on Other Legal and Regulatory Requirements *(Continued)*

c) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, 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 in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year, and hence the provisions of section 197 of the Act is not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.101248W/W-100022

Dinesh Jangid
Partner
Membership No. 111818
UDIN: 22111818AJSVWD1388

Place: Mumbai
Date: 27 May 2022

Sepset Constructions Limited

Annexure A to the Independent Auditor's Report on Financial Statements

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment except for Plant and Machinery, and the management is in the process of updating complete quantitative details and identification codes for plant and Machinery.

(B) The company does not have intangible assets. Accordingly, paragraph 3 (i)(a)(B) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, Computers and Office equipments were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable 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.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The company does not have any inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below:

Sepset Constructions Limited
Annexure A to the Independent Auditor's Report on Financial Statements

(a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not provided loans and advances and guarantees or security to subsidiaries, joint ventures and associates.

B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted unsecured loans and stood guarantee with any other entity as below:

Particulars	Guarantee Amount (Rs. in thousands)	Loans Amount (Rs. in thousands)
Aggregate amount during the year - Others	1,04,00,000	4,89,700
Balance outstanding as at balance sheet date - Others	1,04,00,000	8,30,800

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not made any investment and provided securities during the year, accordingly, the provisions of this clause is not applicable.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given of Rs. 2,42,200 thousand and Rs. 2,47,500 thousand to Hindupur Solar Park Private Limited and Winsol Solar Fields Private Limited respectively is repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

Sepset Constructions Limited

Annexure A to the Independent Auditor's Report on Financial Statements

Particulars	Related Parties Amount (Rs. in Thousands)
Aggregate amount of loans / advances in nature of loans - Repayable on demand (A)	4,89,700
Percentage of loans/ advances in nature of loans to the total loans	100%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of loans and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with to the extent applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Income-Tax, and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Income-Tax, and other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

Sepset Constructions Limited
Annexure A to the Independent Auditor's Report on Financial Statements

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) 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.

(xiii) According to the information and explanation given to us and based on our examination of the records of the Company, provisions of Section 177 of the Companies Act read with Rule 6 of Companies (Meeting of Board and its Powers) Rules, 2014 are not applicable to the Company. Transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

Sepset Constructions Limited
Annexure A to the Independent Auditor's Report on Financial Statements

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(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 realisation 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.101248W/W-100022

Dinesh Jangid
Partner
Membership No. 111818
UDIN: 22111818AJSVWD1388

Place: Mumbai
Date: 27 May 2022

Sepset Constructions Limited
Annexure B to the Independent Auditors' report on the financial statements of Sepset Constructions Limited for the year ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Sepset Constructions Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Sepset Constructions Limited
Annexure B to the Independent Auditors' report on the financial statements of Sepset Constructions Limited for the year ended 31 March 2022.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.101248W/W-100022

Dinesh Jangid
Partner
Membership No. 111818
UDIN: 22111818AJSVWD1388

Place: Mumbai
Date: 27 May 2022

Sepset Constructions Limited

Balance Sheet

as at 31 March 2022

(Currency Indian rupees, in thousands)

	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	4	19,97,205.77	20,83,632.69
Capital work in progress	4A	13,064.08	-
Right-of-use asset	4	63,099.70	63,882.19
Intangible assets	5	532.15	-
Financial assets			
(i) Other financial assets	6	23,861.11	39,999.28
Non- current tax assets (net)	7	13,545.07	5,979.95
Other non-current assets	8	28,747.81	30,245.30
		21,40,055.69	**22,23,739.41**
Current assets			
Financial Assets			
(i) Trade receivables	9	1,24,744.18	1,18,492.83
(ii) Cash and cash equivalents	10	45,198.29	99,566.35
(iii) Bank balances other than (ii) above	11	1,69,764.00	1,42,572.37
(iv) Loans	12	8,30,800.00	6,76,518.00
(v) Other financial assets	13	1,43,305.65	82,267.38
Other current assets	14	7,915.65	3,432.21
		13,21,727.77	**11,22,849.14**
TOTAL ASSETS		**34,61,783.46**	**33,46,588.55**
Equity and liabilities			
Equity			
Equity share capital	15	2,34,154.36	2,34,154.36
Other equity	16	5,65,136.74	5,08,577.48
Total Equity		**7,99,291.10**	**7,42,731.84**
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	17	22,03,869.61	22,14,762.25
(ii) Lease liabilities	18	14,673.18	14,673.66
(iii) Other financial liabilities	19	-	34,474.13
Government Grants	20	1,43,804.03	1,50,994.23
Deferred tax Liabilities (net)	38	1,16,959.27	86,227.49
		24,79,306.09	**25,01,131.76**
Current liabilities			
Financial Liabilities			
(i) Borrowings	21	1,06,574.31	77,130.83
(ii) Lease liabilities	22	1,541.25	1,541.25
(iii) Trade payables	23		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		32,668.73	14,252.01
(iv) Other financial liabilities	24	34,842.07	1,630.50
Other current liabilities	25	7,522.41	8,131.56
Provisions	26	37.50	38.80
		1,83,186.27	**1,02,724.95**
TOTAL EQUITY AND LIABILITIES		**34,61,783.46**	**33,46,588.55**
Basis of preparation, measurement and significant accounting policies	3		
Notes to the financial statements	4- 54		

The attached notes are an integral part of these financial statements.

As per our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/W - 100022

For and on behalf of Board of Directors of
Sepset Constructions Limited
CIN : U45300DL2007PLC163109

Dinesh Jangid	**Amol Sawant**	**T.C. Pattabiraman**	**Abhishek Goel**	**Anisha Deep Babur**
Partner	*Chief Financial officer*	*Director*	*Director*	*Company Secretary*
Membership No. 111818		DIN : 07086771	DIN : 05278410	Membership No. A25986
Mumbai	Mumbai	Mumbai	Mumbai	Mumbai
27 May 2022	27 May 2022	27 May 2022	27 May 2022	27 May 2022

Sepset Constructions Limited

Statement of Profit and Loss

for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	27	4,13,123.01	4,17,130.33
Other income	28	86,700.07	74,903.84
Total income (I)		**4,99,823.08**	**4,92,034.17**
Expenses			
Employee benefits expense	29	2,701.23	2,798.13
Finance costs	30	2,56,614.45	2,53,905.81
Depreciation and amortisation expense	31	90,152.74	89,842.97
Other expenses	32	46,968.78	56,472.30
Total expenses (II)		**3,96,437.20**	**4,03,019.21**
Profit before tax		**1,03,385.88**	**89,014.96**
Tax expenses			
Current tax (including provision for earlier years)		-	-
Deferred tax charge		30,731.78	86,227.49
Total tax expense		30,731.78	86,227.49
Profit for the year		**72,654.10**	**2,787.47**
Other Comprehensive income (net of tax)		-	-
Total Comprehensive income for the year		**72,654.10**	**2,787.47**
Earnings per equity share [nominal value of share Rs 10 (previous year Rs 10)]	34		
Basic earning per share		3.10	0.12
Diluted earning per share		3.10	0.12
Basis of preparation, measurement and significant accounting policies	3		
Notes to the financial statements	4- 54		

The attached notes are an integral part of these financial statements.

As per our report of even date.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number : 101248W/W - 100022

For and on behalf of Board of Directors of
Sepset Constructions Limited
CIN : U45300DL2007PLC163109

Dinesh Jangid	**Amol Sawant**	**T.C. Pattabiraman**	**Abhishek Goel**	**Anisha Deep Babur**
Partner	*Chief Financial officer*	*Director*	*Director*	*Company Secretary*
Membership No. 111818		DIN : 07086771	DIN : 05278410	Membership No. A25986
Mumbai	Mumbai	Mumbai	Mumbai	Mumbai
27 May 2022	27 May 2022	27 May 2022	27 May 2022	27 May 2022

Sepset Constructions Limited

Statement of changes in equity

for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

Equity share capital

Particulars	Balance as at 1 April 2020	Changes during the year	Balance as at 31 March 2021	Changes during the year	Balance as at 31 March 2022
Equity share capital - Class A	1,06,710.86	-	1,06,710.86	-	1,06,710.86
Equity share capital - Class B	1,27,443.50	-	1,27,443.50	-	1,27,443.50
Total	**2,34,154.36**	-	**2,34,154.36**	-	**2,34,154.36**

Other Equity*

Particulars	Equity component of compound financial instruments	Liability component of equity share capital	Debenture Redemption Reserve	Capital Contribution	Reserves and surplus		Total
					Retained earnings	Other comprehensive income (net of tax)	
Balance as at 31 March 2020	**2,10,719.15**	**(7,361.00)**	-	-	**(3,37,015.62)**	-	**(1,33,657.47)**
Profit for the year	-	-		-	2,787.47	-	2,787.47
Movement during the year	(2,10,719.15)	7,361.00		8,42,805.63	-	-	6,39,447.48
Other comprehensive income (net of tax)							-
Balance as at 31 March 2021	-	-	-	**8,42,805.63**	**(3,34,228.15)**	-	**5,08,577.48**
Profit for the year	-	-	-	-	72,654.10	-	72,654.10
Transferred to / from retained earnings	-	-	72,654.10	-	(72,654.10)	-	-
Movement during the year**	-	-	-	(16,094.84)	-	-	(16,094.84)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-
Balance as at 31 March 2022	-	-	**72,654.10**	**8,26,710.79**	**(3,34,228.15)**	-	**5,65,136.73**

*Refer note no. 16 for nature and purpose of reserves

** Refer note 16 for details of movement during the year.

Basis of preparation, measurement and significant accounting policies 3

Notes to the financial statements 4- 54

The attached notes are an integral part of these financial statements.

As per our report of even date.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number : 101248W/W - 100022

Dinesh Jangid
Partner
Membership No. 111818

Mumbai
27 May 2022

For and on behalf of Board of Directors of
Sepset Constructions Limited
CIN : U45300DL2007PLC163109

Amol Sawant	T.C. Pattabiraman	Abhishek Goel	Anisha Deep Babur
Chief Financial officer	*Director*	*Director*	*Company Secretary*
	DIN : 07086771	DIN : 05278410	Membership No. A25986
Mumbai	Mumbai	Mumbai	Mumbai
27 May 2022	27 May 2022	27 May 2022	27 May 2022

Sepset Constructions Limited

Statement of Cash Flows

for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

	Year ended 31 March 2022	Year ended 31 March 2021
Profit / (Loss) before tax	1,03,385.88	89,014.96
Adjustment		
Finance cost expenses	2,55,073.68	2,52,365.03
Interest expense on lease liability	1,540.77	1,540.78
Depreciation and amortisation expense	90,152.74	89,842.97
Foreign exchange gain (net)	(173.32)	-
Interest income on bank deposits	(7,024.16)	(12,761.89)
Interest on financial assets measured at amortised cost	(2,999.72)	(7,292.55)
Interest on security deposits	(460.15)	(412.87)
Interest income on loan to group company	(67,273.12)	(46,372.60)
Amortisation of grant	(7,190.20)	(7,190.20)
Operating profit before adjustments	**3,65,032.40**	**3,58,733.63**
Adjustments:		
Increase in trade payables	8,036.47	1,188.33
(Decrease) in provisions	(1.30)	(90.58)
(Decrease) / Increase in other financial liabilities	(157.94)	273.84
(Decrease) in other current and non-current liabilities	(609.15)	(2,911.90)
(Increase) / Decrease in current and non-current assets	(4,483.43)	4,744.21
(Increase) / Decrease in trade receivables	(6,251.35)	18.08
Cash flow generated from operating activities post working capital changes	**3,61,565.70**	**3,61,955.61**
Direct taxes paid (net)	(7,565.12)	(3,747.74)
Net cash flow generated from operating activities (A)	**3,54,000.58**	**3,58,207.87**
Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	(5,985.99)	(439.26)
Grant received from SECI	19,598.04	19,598.04
Interest received from fixed deposits with banks	6,604.32	15,096.16
Interest income on loan to group company	6,727.32	3,477.94
Loans repaid by group companies	3,35,400.00	2,01,015.00
Loans given to group companies	(4,89,682.00)	(6,50,000.00)
Investment in fixed deposits with banks	(2,71,91,635.00)	(16,17,040.37)
Withdrawal of fixed deposits with banks	2,71,64,443.37	14,81,400.00
Net cash used in generated from investing activities (B)	**(1,54,529.94)**	**(5,46,892.49)**
Cash flow from financing activities		
Proceeds from non current borrowings	19,70,000.00	-
Repayment of non current borrowings	(20,17,994.32)	(74,592.60)
Proceeds from current borrowings	29,443.48	-
Repayment of current borrowings	-	(48,318.00)
Principal repayment of lease	(1,541.25)	(1,541.25)
Payment towards finance charges including interest expenses	(2,33,746.61)	(1,90,177.06)
Net cash used in generated from financing activities (C)	**(2,53,838.70)**	**(3,14,628.91)**
Net (decrease) / Increase in cash and cash equivalents (A + B + C)	**(54,368.06)**	**(5,03,313.53)**
Cash and cash equivalents at the beginning of the year	99,566.35	6,02,879.88
Cash and cash equivalents at the end of the year	**45,198.29**	**99,566.35**
Debt reconciliation statement in accordance with Ind AS 7		
Non-current and current borrowings		
p Balance at the beginning of the year	22,91,893.08	30,95,523.91
Proceeds from borrowings	19,99,443.48	-
Repayment of borrowings	(20,17,994.32)	(1,22,910.60)
Non cash changes	37,101.68	(6,80,720.23)
Balance at the end of the year	**23,10,443.92**	**22,91,893.08**





Statement of Cash Flows (continued)

for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

Notes :

1 The above Statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard -7 "Statement of cash flows " notified under Section 133 of the Companies Act 2013.

2 Cash and cash equivalents as per Balance sheet (Refer note 10)

Basis of preparation, measurement and significant accounting policies	3
Notes to the financial statements	4- 54

The attached notes are an integral part of these financial statements.

As per our report of even date.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number : 101248W/W - 100022

For and on behalf of Board of Directors of
Sepset Constructions Limited
CIN : U45300DL2007PLC163109

Dinesh Jangid	**Amol Sawant**	**T.C. Pattabiraman**	**Abhishek Goel**	**Anisha Deep Babur**
Partner	*Chief Financial officer*	*Director*	*Director*	*Company Secretary*
Membership No. 111818		DIN : 07086771	DIN : 05278410	Membership No. A25986
Mumbai	Mumbai	Mumbai	Mumbai	Mumbai
27 May 2022	27 May 2022	27 May 2022	27 May 2022	27 May 2022

Notes to financial statements

for the year ended 31 March 2022

(Currency Indian rupees in thousands)

1 *Background*

Sepset Constructions Limited (herein after referred to as "the Company" or "SCL") was incorporated on 08 May 2007 for the purpose of development and operations of power projects.

The ultimate holding company, Vector Green Energy Private Limited ("VGEPL") and its 100% shareholder, India Infrastructure Fund II ("IIF-II"), entered into a Securities Purchase Agreement dated 03 August 2019 and an amendment to the Securities Purchase Agreement dated 14 October 2019 with Nettle Constructions Limited, the erstwhile holding company of our parent company, Vector Green New Energies Private Limited ("VGNEPL"), to acquire 100% stake in VGNEPL together with all its subsidiaries (hereinafter referred to as the "Target Companies"). As per the Agreement, the entire ultimate Control of the Target Companies, including of the Company, has been transferred to Vector Green Energy Private Limited on 08 November 2019.

The Company got its Non-covertible Debentures listed during the year on the Wholesale Debt Market (WDM) segment of BSE Limited.

2 *Basis of preparation of the financial statements*

a *Statement of compliance*

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

b *Functional and presentation currency*

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest two decimal places in thousands, unless otherwise stated.

c *Basis of Measurement*

The financial statements have been prepared on the historical cost basis except for the following :
- certain financial assets and liabilities that are measured at fair value (refer accounting policy regarding financial instruments)

Use of estimates and judgments

The preparation of the Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialised. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies.
- Measurement and likelihood of occurrence of provisions and contingencies (refer note no. 3.4)
- Recognition of deferred tax assets (refer note no. 3.6)
- Useful lives of property, plant and equipment (refer note no. 3.2)
- Impairment of assets (refer note no. 3.3)

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are as follows:

(i) *Estimated useful lives of property, plant and equipment*

The Company estimates the useful lives of property, plant and equipment to be 25 years. The useful life is based on the period over which the assets are expected to be available for use. The Company estimates the residual value of these property, plant and equipment to be atleast 10 percent at the end of its useful life. The estimation of the useful lives and residual value of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives and residual value are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.





Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees in thousands)

2 *Basis of preparation of the financial statements (Continued)*

c ***Basis of Measurement (Continued)***

(ii) In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(iii) ***Impairment of trade recievabales***

The Company reviews its trade receivables to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(iv) ***Measurement of fair values***

Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises tranfers between levels of the fair value hierarchy at the end of the reporting period during which the changes has

d ***Current/ non-current classification***

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is expected to be realised within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is due to be settled within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees in thousands)

3 Significant accounting policies

3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value. In the case of financial assets which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- Fair value through Profit or Loss ('FVTPL') or
- Fair value through Other Comprehensive Income ('FVOCI') – equity investment;

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees in thousands)

3 Significant accounting policies (Continued)

3.1 Financial instruments(Continued)

(a) Financial assets (Continued)

(iii) Subsequent measurement and gains and losses

(a) Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.

(b) Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

(c) Equity investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit and loss.

(iv) Derecognition:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.
If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

(b) Financial liabilities

(i) Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value. In the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

(ii) Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost (loans and borrowings) or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

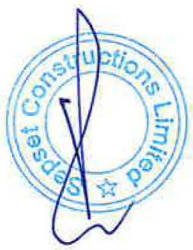
(iii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.
This category generally applies to interest-bearing loans and borrowings.

(iv) Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.





Notes to the financial statements (Continued)
for the year ended 31 March 2022

(Currency Indian rupees in thousands)

3 Significant accounting policies (Continued)

3.1 Financial instruments(Continued)

(b) Financial liabilities(Continued)

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Compound financial instruments

Compound financial instrument are instruments that can be converted into equity share at the option of the holder, when the number of share to be issued is fixed and do not vary with change in fair value.

The liability component of compound financial instrument is initially recognised at fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of compound financials instrument as a whole and the fair value of liability component. Any direct attributable transaction cost are allocated to liability and equity components in the proportion to their initial carrying amounts.
Upon initial recognition, the instrument is measured and recorded as the liability component of equity to recognise the guaranteed returns to the shareholders. In order to measure the liability component, future amount payable is considered based on the cash flow projections and present valued the amount to initial recognition date
The fair value of liability component as present value of estimated cashflows payable using a borrowing rate for an instrument without conversion option keeping other variables the same. The difference between transaction price (issue price) and fair value of liability component is recorded as "Equity component of compound financial instrument" and disclosed separately in "Other equity".

Subsequent to initially recognition, the liability component of the compound financial instrument is measured at amortised cost using effective interest method. The equity component of compound financial instrument is not re-measured subsequently.

Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset). In case of conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.





Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees in thousands)

3 *Significant accounting policies (Continued)*

3.2 *Property, plant and equipment*

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Items such as spare parts, stand-by equipment's and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the statement of profit and loss as and when incurred.

Depreciation

Depreciation on assest other than plant and equipment has been provided using the straight line method in the manner and at the rates prescribed by Schedule II of the Act.

Assets	Life in no. of years	Schedule II useful lives
Computer	3 years	3 years
Furniture's & fittings	10 years	10 years
Office Equipments	5 years	5 years

For depreciation on plant and equipment, the Company belives the useful life as given below best represents the useful life of the asset based on internal management assessments, which is different from useful lives as prescribed under part C of schdule II of the Companies Act 2013.

Assets	Life in no. of years
Plant and Machinery	25 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which the asset is ready for use (disposed of). Assets costing INR 5,000 or less are fully depreciated in the year/period of purchase.

3.3 *Impairment*

Impairment of non-derivative financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:
(i) Trade receivables and
(ii) Financial assets measured at amortised cost (other than trade receivables and lease receivables)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognition as loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.
Lifetime ECL are the expected credit losses resulting from all possible defaults events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the statement of profit and loss.

Notes to the financial statements (Continued)
for the year ended 31 March 2022

(Currency Indian rupees in thousands)

3 *Significant accounting policies (Continued)*

3.3 *Impairment (Continued)*

Impairment of assets

The carrying values of assets/cash generating unit at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

3.4 *Provisions and Contingencies*

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in the Notes to the Ind AS financial statements. Contingent liabilities are disclosed for:
i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
ii) 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.

3.5 *Revenue recognition*

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:
Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Supply of Power

Revenue from sale of power is recognised when energy is delivered at the metering point in terms of Power Purchase Agreements with Solar Energy Corporation of India Limited (SECI) for 40 MW and Maharashtra State Electricity Distribution Company Limited (MSEDCL) for 2 MW plant.
Units of power generated and delivered at the metering point and not yet billed as at balance sheet date have been valued at the rate per unit in accordance with the Power Purchase Agreement.

Interest income

Interest income is recognised using time proportion method based on interest rates implicit in the transactions.

Interest income on fixed deposit is recognised on accrual basis.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.





Notes to the financial statements (Continued)
for the year ended 31 March 2022

(Currency Indian rupees in thousands)

3 *Significant accounting policies (Continued)*

3.6 *Income tax*

Income tax comprises current and deferred tax.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision of Income Tax for the period ended and re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The rate prescribed under the section 115 BAA is 22 % as increased by applicable surcharge (10%) and cess (4%).

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.7 *Employee benefits*

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Provident Fund
The Company employs less than twenty employees and consequently, provisions of Employee's Provident Fund Act, 1975 are not applicable to the Company

Post-employment benefits

Defined benefit plans

The Company employs less than ten employees and consequently, provisions of the Gratuity Act, 1972 are not applicable to the Company. Accordingly, no actuarial valuation for gratuity had been carried out at the year end.

Compensated leave absences

Provision for leave encashment is determined on the basis of leave credited to individual employees' account and the last drawn salary and is charged to the Statement of profit and loss for the year.





Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees in thousands)

3 Significant accounting policies (Continued)

3.8 Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent exchange differences are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to installation of the qualifying asset up to the date of capitalisation of such assets are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when activities on the qualifying assets is interrupted. All other borrowing costs are recognised as an expense in the period which they are incurred.

3.9 Government grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received. Grants related to depreciable property plant and equipment's are treated as deferred grants which is recognised in the statement of Profit and Loss on a systematic and rationale basis over the useful life of the asset.

3.10 Cash and Cash equivalents

Cash and Cash equivalents for the purpose of Statement of cash flows comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

3.11 Business combination

In accordance with Ind AS 103, the Company accounts for its business combination under the acquisition method of accounting. Transaction related costs are recognised in the profit and loss as incurred. The consideration transferred for the business combination is measured at fair value as at the date the control is acquired, as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment.
Business combinations arising from transfers of interests in entities that are under common control are accounted at historical costs. The difference between the consideration and the share capital of the acquired entity is transferred to capital reserve.

3.12 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for interest (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

3.13 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

Sepset Constructions Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2022

(Currency Indian rupees in thousands)

3 Significant accounting policies (Continued)

3.14 Operating leases

The Company has adopted Ind AS 116-Leases effective 1st April 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of land taken on leases. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.15 Segment reporting

Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker of the Company. The Company is engaged mainly in the business of distribution of solar power. This, in the context of Indian Accounting Standard 108 (Ind AS 108) on Segment Reporting is considered to constitute single operating segment.
The Company has its entire operations in India and hence entire revenue is generated in India, all the services are rendered to customers in India and there are no assets which are situated outside India.

3.16 Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered internal and certain external sources of information including economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to recover the carrying amount of trade receivables including unbilled receivables, investments and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.





Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees in thousands)

3 Significant accounting policies (Continued)

3.17 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework
The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use
The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while The Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract
The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)
The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)
The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.





Notes to the financial statements (Continued)

as at 31 March 2022

(Currency Indian rupees, in thousands)

4 Property, plant and equipment*

Particulars	Buildings	Plant and equipment	Office equipment	Furnitures	Computers	Right-of-use assets**	Total
Gross carrying amount							
Balance as at 31 March 2020	9,919.60	26,04,196.65	98.75	23.54	18.91	72,132.64	26,86,390.09
Additions	-	-	439.26	-	-		439.26
Deletions	-	-	-	-	-		-
Balance as at 31 March 2021	9,919.60	26,04,196.65	538.01	23.54	18.91	72,132.64	26,86,829.35
Additions	-	-	2,354.60	342.09	-		2,696.69
Deletions	-	-	-	-	-		-
Balance as at 31 March 2022	9,919.60	26,04,196.65	2,892.61	365.63	18.91	72,132.64	26,89,526.04
Accumulated depreciation							
Balance as at 31 March 2020	2,179.89	4,39,777.32	43.77	11.05	16.04	7,467.97	4,49,496.04
Charge for the year	490.73	88,518.25	21.88	2.23	2.86	782.48	89,818.43
On deletions	-	-	-	-	-		-
Balance as at 31 March 2021	2,670.62	5,28,295.57	65.65	13.28	18.90	8,250.45	5,39,314.47
Charge for the year	490.73	88,522.99	96.88	13.00	0.01	782.49	89,906.10
On deletions	-	-	-	-	-	-	-
Balance as at 31 March 2022	3,161.35	6,16,818.56	162.53	26.28	18.91	9,032.94	6,29,220.57
Net carrying amount							
Balance as at 31 March 2021	7,248.98	20,75,901.08	472.36	10.26	0.01	63,882.19	21,47,514.88
Balance as at 31 March 2022	6,758.25	19,87,378.09	2,730.08	339.35	-	63,099.70	20,60,305.47

* These assets have been given as a security against Non Convertible Debentures or term loans. Refer Note no. 17 to the financial statements

** (a) The Company has adopted Ind AS 116 effective 1st April 2019, using the modified retrospective method- Option 2, where ROU asset is recognised. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April 2019).

This has resulted in recognising a right-of-use asset of Rs. 73,372.68 thousands (including prepayments) in the previous years.

The Company has derecognised the right-of-use asset to the extent of sub - lease of land to fellow subsidiary "Citra Real Estate Limited" in the previous year .

In the Statement of Profit and Loss for the current year, finance lease expenses is now recognized as depreciation expense for the right-of-use asset.

(b)The Company's leases comprise land. The Company has taken land on long-term lease for setting up power plants for generating electricity.

4A Capital work in progress (CWIP)

Particulars	Amount
Balance as at 31 March 2020	-
Additions	-
Deletions	-
Balance as at 31 March 2021	-
Additions	13,064.08
Deletions	-
Balance as at 31 March 2022	13,064.08

CWIP ageing

	Amount in CWIP for a period of				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress*	13,064.08	-	-	-	13,064.08

* There are no capital work in progress, whose completion is overdue or which has exceeded its cost compared to the original

Notes to the financial statements (Continued)
as at 31 March 2022

(Currency Indian rupees, in thousands)

5 **Intangible assets**

Particulars	Software
Gross carrying amount	
Balance as at 31 March 2020	**70.80**
Additions	-
Balance as at 31 March 2021	**70.80**
Additions	778.80
Balance as at 31 March 2022	**849.60**
Accumulated amortisation	
Balance as at 31 March 2020	**46.26**
Charge for the year	24.54
Balance as at 31 March 2021	**70.80**
Charge for the year	246.65
Balance as at 31 March 2022	**317.45**
Net carrying amount	
Balance as at 31 March 2021	-
Balance as at 31 March 2022	**532.15**





Notes to the financial statements *(Continued)*

as at 31 March 2022

(Currency Indian rupees, in thousands)

6 Financial assets - Other financial assets (Non-current)

Particulars	As at 31 March 2022	As at 31 March 2021
Grant receivable from Solar Energy Corporation of India (SECI)	17,246.97	33,845.29
Security deposits	6,614.14	6,153.99
	23,861.11	**39,999.28**

7 Non- current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax	13,545.07	5,979.95
	13,545.07	**5,979.95**

8 Other non current assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Prepayments on security deposit	28,747.81	30,245.30
	28,747.81	**30,245.30**

9 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Secured Undisputed Trade receivable, considered good *	33,678.32	29,756.61
Unsecured Undisputed Trade receivable, considered good	65,191.22	58,263.44
Unbilled Revenue	40,753.63	39,456.20
	1,39,623.17	**1,27,476.25**
Less: Provision for loss allowance	14,878.99	8,983.42
	1,24,744.18	**1,18,492.83**

There are no trade receivables which have a significant increase in credit risk or are credit impaired.
The Companies' exposure to credit risk and loss allowance related to trade receivables are disclosed in Note no. 36 to the financial statements
These assets have been hypothecated against borrowings. Refer Note no. 17 to the financial statements
* These are secured against letter of credit given by the customer.

Trade receivable Aging

Particulars	Unbilled	< 180 days	180-365 days	1- 3 years	More than 3 years	Total
As at 31 March 2022						
Undisputed Trade receivable, considered good	-	83,990.55	-	-	-	83,990.55
Unbilled Revenue	40,753.63	-	-	-	-	40,753.63
As at 31 March 2021						
Undisputed Trade receivable, considered good	-	79,036.63	-	-	-	79,036.63
Unbilled Revenue	39,456.20	-	-	-	-	39,456.20

10 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Balances with banks:		
In current accounts	86.38	176.32
Restricted Bank Balance*	3,661.91	3,790.03
In deposits with original maturity of less than three months	41,450.00	95,600.00
	45,198.29	**99,566.35**

* Restricted Bank Balance incudes balances lying in current accounts maintained as per requirement under Trust and Retention Agreement (TRA) and forming part of the Debenture documents executed for the NCDs issued & listed in the current year. Any payments, withdrawals or transfers from any TRA account requires approval from debenture trustee unless it is specifically permitted under the terms of Debenture documents.





Notes to the financial statements *(Continued)*

as at 31 March 2022

(Currency Indian rupees, in thousands)

11 Other bank balances

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity of more than three months less than twelve months*	1,69,764.00	1,42,572.37
	1,69,764.00	**1,42,572.37**

*Out of the above, fixed deposits of Rs. Nil thousand (31 March 2021: Rs. 142,572.37 thousands) is maintained for debt service reserve account (DSRA).

12 Financial assets - Loans (Current)

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
To parties other than related parties		
Security deposits	-	18.00
To related parties		
Loan to group companies *	8,30,800.00	6,76,500.00
	8,30,800.00	**6,76,518.00**

*Includes Loan given to Vector Green Energy Private Limited, Hindupur Solar Park Private Limited and Winsol Solar Fields Private Ltd @ Interest rate of 7% p.a., and Vector Green Sunrise Limited @ Nil interest rate.
(31 March 2021 : Vector Green Energy Private Limited @ interest rate of 12 % and Vector Green Sunrise Limited @ Nil interest rate).
Loans are given for general purpose. The loan is repayable on demand .

13 Other financial assets

(Unsecured, considered good unless otherwise treated)

Particulars	As at 31 March 2022	As at 31 March 2021
To parties other than related parties		
Interest accrued on fixed deposits with bank	596.47	176.64
Current maturity of grant receivable from SECI	39,196.08	39,196.08
Forward Contract Receivable	72.63	-
To related parties		
Interest accrued on loan to group company	1,03,440.47	42,894.66
	1,43,305.65	**82,267.38**

The Companies' exposure to credit risk and loss allowance related to trade receivables and other financial assets are disclosed in Note no. 36 to the financial statements

14 Other current assets

(Unsecured, considered good unless otherwise treated)

Particulars	As at 31 March 2022	As at 31 March 2021
To parties other than related parties		
Advances to suppliers	234.18	292.04
Prepaid expenses	6,388.29	3,061.62
Balances with Government authorities	25.00	25.00
Others	1,268.17	53.55
	7,915.65	**3,432.21**

Notes to the financial statements *(Continued)*

as at 31 March 2022

(Currency Indian rupees, in thousands)

15 Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised shares		
6,70,00,000 (31 March 2021: 6,70,00,000) equity shares of Rs.10 each	6,70,000.00	6,70,000.00
Issued, subscribed and fully paid-up shares		
2,34,15,436 (31 March 2021: 2,34,15,436) equity shares of Rs.10 each fully paid up	2,34,154.36	2,34,154.36
	2,34,154.36	**2,34,154.36**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

Particulars	As at 31 March 2022		As at 31 March 2021	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	2,34,15,436	2,34,154.36	2,34,15,436	2,34,154.36
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**2,34,15,436**	**2,34,154.36**	**2,34,15,436**	**2,34,154.36**

b. Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

The final dividend proposed if any by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Share capital held by its holding company

Out of equity shares issued, subscribed and fully paid up by the Company, shares held by its holding company and its nominees are as below:

	As at 31 March 2022	As at 31 March 2021
Vector Green New Energies Private Limited, the holding company, and its nominees		
2,34,15,436 equity shares of Rs. 10 each	2,34,154.36	2,34,154.36

d. List of shareholders holding more than 5% of the equity share capital of the Company at the beginning and at the end of the year:

Name of Shareholder	As at 31 March 2022		As at 31 March 2021	
	Nos.	% of Holding	Nos.	% of Holding
Vector Green New Energies Private Limited and its nominees	2,34,15,436	100%	2,34,15,436	100%

e. No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting year.

f. Share reserved for issue under contracts

The Company has Compulsorily convertible debentures (CCD). The conversion ratio of CCD is dependent on fair value of shares at the time of conversion, due to change in terms of the CCD in previous year. Hence, the amount of shares reserved cannot be worked out .

Notes to the financial statements *(Continued)*

as at 31 March 2022

(Currency Indian rupees, in thousands)

16 Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
Equity component of Compulsorily Convertible Debentures (Refer note 17)		
Opening balance	-	2,10,719.15
Less: Transfer during the year	-	(2,10,719.15)
Closing balance	-	-
Liability component of equity share capital (Refer Note 17)		
Opening balance	-	(7,361.00)
Less: Transfer during the year	-	7,361.00
Closing balance	-	-
Capital contribution		
Opening balance	8,42,805.63	-
Add: Transfer/addition during the year	(16,094.84)	8,42,805.63
Closing balance	**8,26,710.79**	**8,42,805.63**
Debenture Redemption Reserve		
Opening balance	-	-
Add: Transfer/addition during the year	**72,654.10**	-
Closing balance	**72,654.10**	-
Retained earnings		
Balance at the beginning of the year	(3,34,228.15)	(3,37,015.62)
Profit / (Loss) for the year	72,654.10	2,787.47
Transfer to Debenture Redemption Reserve	(72,654.10)	-
Closing balance	**(3,34,228.15)**	**(3,34,228.15)**
	5,65,136.74	**5,08,577.48**

Nature and purpose of other reserves

Equity component of Compulsorily Convertible Debentures

Upon initial recognition, the Company has determined the fair value of liability component as present value of estimated cashflows payable using a borrowing rate for an instrument. The liability payout that are attributable to CCD also includes the guaranteed return to equity shareholders after conversion. As per 109, the difference between transaction price (issue price) and fair value of liability component, which is the gain on initial recognition, represent the residual interest of the CCD holders in the Company at the end of the term and hence classified as the equity. Refer Captial contribution below.

Liability component of equity share capital

As per the terms of Class A and Class B equity shares, the Company is required to pay a guaranteed return of IRR 17% on subscription price paid by the shareholders subject to availability of distributable cash.

The Company has measured and recorded liability component of equity to recognize the guaranteed return to the shareholders. In order to measure the liability component, the Company has considered the future amount payable based on the cash flow projections and present valued the amount to initial recognition date. Subsequently, the Company undertakes valuation of such liability at each reporting date based on revised cashflow forecasts and the liability is remeasured with corresponding impact in the statement of profit and loss account. Refer Captial contribution below.

Capital Contribution

During the FY 2020-21, the company has made amendment in Articles of Association (AOA), pursuant to approval granted by shareholders in their extra ordinary general meeting dated 15 May 2020, in which guaranteed return to equity shareholder has been withdrawn. The Company further modified terms of Compulsory Convertible Debentures (CCD) in which CCD now carry a fixed interest rate of 16% payable in cash instead of stepped up rate of interest which was payable upon availability of distributable cash and the number of equity shares to be issued is variable basis the value of equity shares at the time of conversion. Refer Note 17 for details of change in terms of CCD.

Due to amendment in AOA and change in terms of CCD, the equity and debt instruments (CCD) no longer has equity component and hence the difference between the carrying value of derecognised instrument (i.e. Liability component of equity, liability and equity component of CCD) and the fair value of CCD is accounted as Capital contribution amounting to Rs 810,612.54 thousand, since the benefit has been forgone by the holder in his capacity as shareholder.

Due to waiver of Interest on Series B Debentures upto 01 September 2020 in previous year, capital contribution of Rs 13,249.64 thousand was recognised. Refer Note 17 for details.

Due to modification in terms of CCD for defering the Interest payment in previous year, captial contribution of Rs 18,943.45 thousand was recognised.

During the current year, considering the limited business opportunities available, the Company decided to repay the interest payable to CCD holders which was deferred last year in 3 annual instalments. Hence, the Interest on Interest deferral before the date of payment of Rs 2,848.60 thousand has been recognised as expense in the statement of profit and loss. The Interest on Interest deferral from date of payment till the earlier deferral period upto 31 March 2025 of Rs 16,094.84 thousand, has been recognised as reduction in Captial Contribution in Other equity, since the benefit of deferral was not taken by the Company and in the previous year the benefit was recognised in Capital contribution.

Refer Note 17 for details.

Debenture Redemption Reserve

Debenture Redemption Reserve is created in terms of section 71(4) of the Companies Act, 2013

Retained earnings

Retained earnings comprises of company's undistributed profit / (loss) after taxes and is attributable to the equity shareholders of the Company.

Notes to the financial statements *(Continued)*

as at 31 March 2022

(Currency Indian rupees, in thousands)

17 **Non current borrowings**

Particulars		As at 31 March 2022	As at 31 March 2021
Secured			
Debentures			
1,970, 6.49% Non-convertible debentures (NCDs) (Listed) (refer note (i) below)		18,80,975.43	-
Amount disclosed under the head "Current financial liabilities-borrowings" (refer note 21)		(1,06,574.31)	-
		17,74,401.12	-
Term loans			
- From bank (refer note (ii) below)		-	8,73,572.82
- From financial institution (refer note (ii) below)		-	9,11,720.94
	(A)	**17,74,401.12**	**17,85,293.76**
Unsecured			
Debentures			
16% Compulsorily convertible debentures (CCD) (refer note (iii) below)		4,29,468.49	4,29,468.49
	(B)	**4,29,468.49**	**4,29,468.49**
	(A+B)	**22,03,869.61**	**22,14,762.25**

Secured Borrowings

(i) **Debentures**

1,970, 6.49% Non-convertible debentures (NCDs) (Listed)

The Company on 1 July 2021 issued 1,970 (31 March 2021: Nil) listed, secured, rated, redeemable, non-cumulative, taxable, non-convertible debentures (NCDs), of face value of Rs. 1,000,000/- each at a coupon rate of 6.49% per annum payable quarterly, at par aggregating to Rs. 1,970,000 thousand (31 March 2021: Rs Nil) on private placement basis. The NCDs have maturity of 3 years from the date of issue with structured quarterly redemption.

The due date and amount for the repayment of principal of NCDs is as follows:

Particulars	Amount (Rs in thousands)	Date of repayment
6.49% NCDs	16,64,100	01-Jul-24
6.49% NCDs	28,900	31-Mar-24
6.49% NCDs	28,900	31-Dec-23
6.49% NCDs	28,900	30-Sep-23
6.49% NCDs	28,900	30-Jun-23
6.49% NCDs	27,700	31-Mar-23
6.49% NCDs	27,700	31-Dec-22
6.49% NCDs	27,700	30-Sep-22
6.49% NCDs	27,700	30-Jun-22
6.49% NCDs	26,500	31-Mar-22
6.49% NCDs	26,500	31-Dec-21
6.49% NCDs	26,500	30-Sep-21
	19,70,000	

The NCDs issued by the Company are secured by the way of :

i.first ranking pari passu charge and hypothecation on the Company's movable assets both present and future;

ii.first ranking pari passu charge over all Accounts and all other bank accounts including the Trust and Retention Account and the sub-accounts thereof and on all revenues and receivables, existing TRA accounts, the book debts, the operating cash flows, all other commissions and revenues and cash and all investments of the Issuer, both present and future (excluding distribution account and monies lying there in and excluded assets);

iii.a first charge on all current assets and intangible assets of the Issuer, both present and future (except excluded assets);

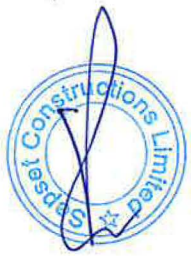
iv.a first charge and assignment, by way of security, in all the rights, title, interests, benefits, claims and demands whatsoever of the Issuer in the O&M Contract and under all Insurance Contracts, both present and future;

v.pledge by the Pledgors over the Pledged Securities;

vi.unconditional and irrevocable corporate guarantee provided by each of the Other Entities (Other entities include Citra Real Estate Ltd., Malwa Solar Power Generation Pvt. Ltd., RattanIndia Solar 2 Pvt.Ltd.(name changed to Vector Green Prayagraj Solar Pvt. Ltd.), Yarrow Infrastructure Private Limited and Priapus Infrastructure Ltd.); and

vii.a first charge created by the Other Entities over Other Entities Cash Surplus.





Notes to the financial statements *(Continued)*

as at 31 March 2022

(Currency Indian rupees, in thousands)

17 Non current borrowings (Continued)

Secured Borrowings (Continued)

(ii) **Term loans**

Loans from Financial Institution and bank aggregating to Rs. Nil thousands (31 March 2021: Rs. 18,77,933.69) carry interest rate of 8.65% p.a. (31 March 2021: 8.65% - 9.40% p.a) and are secured by first mortgage on all immovable assets and hypothecation on all movable assets, both present and future, pertaining to the project. The term loan from financial institution and bank would be repayable in 61 structured quarterly installments starting from June 2020. The aforesaid loan facility is further secured by the pledge of 51% of Compuslorily Convertible Debentures (CCD) of the Company held by India Infrastructure Fund II (Series A)and 51% share capital of the Company held by Holding Company - Vector Green New Energies Private Limited (Series B). Further, the loan is guaranteed by fellow subsidiary Companies namely Yarrow Infrastructure Private Limited, Citra Real Estate Limited, Priapus Infrastructure Limited and RattanIndia Solar 2 Private Limited to the extent of the respective cash surplus available with them. The above term loans were taken for refinancing of loan taken from previous lenders for construction of projects.

During the year, the term loans from bank and financial institution have been re-paid early compared to the original tenure of loans, since the Company got its Non-Convertible Debentures (NCDs) listed on the stock exchange and obtained funds at lower interest rate.

Unsecured Borrowings

(iii) **Compulsorily Convertible Debentures (CCD)**

-21,846,849 of Series A Compulsorily Convertible Debentures (CCD) of face value Rs 10 each, issued at a premium of Rs 7.41 and of face value Rs 10 each to India Infrastructure Fund II, being convertible into an equivalent number of equity shares of face value Rs. 10 each in the Company at par at the end of 10 years from the date of issuance of the CCDs. During the previous year, the terms of Series A debentures were modified and the debenture holders have the right to seek conversion of all or part of Series A Debentures into Class A Equity shares and the conversion will be at higher of fair value of equity shares at the time of conversion or at the time of issue. The Series A Debenture is mandatorily convertible into class A Equity shares at the end of 25 years from date of issue.

-21,100,000 of Series B CCD of face value Rs 10 each issued at par to Vector Green New Energies Private Limited (formerly known as RattanIndia Solar Private Limited), being convertible into an equivalent number of equity shares of face value Rs. 10 each in the Company at par at the end of 10 years from the date of issuance of the CCDs. During the previous year, the terms of Series B debentures were modified and the debenture holders have the right to seek conversion of all or part of Series B Debentures into Class B Equity shares and the conversion will be at higher of fair value of equity shares at the time of conversion or at the time of issue. The Series B Debenture is mandatorily convertible into class B Equity shares at the end of 25 years from date of issue. The Series B CCD were transferred to India Infrastructure Fund II w.e.f 02 September 2020.

-Till the date of conversion, all the CCDs (Series A and Series B) shall carry a pre-determined interest rate of 16% .The CCDs shall not carry any voting rights, till converted into equity shares. There is no redemption option in respect of these CCD. The Debentures are unsecured and in case of liquidation, insolvency or winding-up of the Company, the Debentures shall be subordinated to all other financial creditors of the Company, and rank senior to the Shares of the Company only.

The above change in the terms of Series A and Series B Debentures were approved by the Board of Directors in their meeting on 1 August 2019 and approved by the shareholder by way of special resolution in their meeting on 2 August 2019, subject to approval of the existing lenders on that date. The Company prepaid the loan of the existing lenders in March 2020, hence their approval was not required for the modification of the terms.

The existing terms of Series A and Series B Debentures were listed in the Articles of Association of the Company. Hence the Company vide its Board meeting dated 12 May 2020 restated the Articles of Association of the Company and removed the Terms of Series A and Series B Debentures to be part of the restated Articles of Association of the Company. The Board adopted the modification in the terms of Series A and Series B Debentures, approved by shareholder in their meeting dated 2 August 2019, with effect from the adoption of the restated Articles of Association of the Company. The approval of the shareholders was obtained by way of special resolution in the Extra-Ordinary General meeting of the Company held on 15 May 2020 for the restated Articles of Association of the Company.

The above change was treated as modification in financial liability under the requirements of Ind AS 109- Financial instruments in the previous year. Due to above change in the terms of CCDs, the CCD no longer had the equity component and hence the old CCD has been de-recognised and new CCD has been recognised.
Refer Note 16 for the amount transferred to Capital Contribution in Other Equity due to above change.

During the previous year, the Interest on Series B Debentures upto 01 September 2020 was waived off by the Holding Company, Vector Green New Energies Private Limited (formerly known as RattanIndia Solar Private Limited) in its capacity as shareholder. Hence, the Interest waived of Rs 13,249.64 thousand was accounted as Capital contribution in Other Equity.

The terms of Series A and Series B Debenures was modified vide Board meeting dated 30 September 2020 and AGM dated 14 October 2020. As per the modification, the Coupon (Interest) on Series A and Series B CCDs accrued or to be accrued up to 31 March 2022 is deferred in 3 annual instalments to be paid in the financial years ending on 31 March 2023, 31 March 2024 and 31 March 2025, in addition to the Coupon payable to IIF II for such financial years. Since, the deferment of Interest is by the Holder in his capacity of shareholder, the difference between the present value of Interest payable and Interest payable as on 31 March 2021 of Rs 18,943.45 thousand was recognised as Capital Contribution in Other Equity in the previous year .

During the current year, considering the limited business opportunities available, the Company decided to repay the interest payable to CCD holders which was deferred last year in 3 annual instalments. Hence, the Interest on Interest deferral before the date of payment of Rs 2,848.60 thousand has been recognised as expense in the statement of profit and loss. The Interest on Interest deferral from date of payment till the earlier deferral period upto 31 March 2025 of Rs 16,094.84 thousand, has been recognised as reduction in Captial Contribution in Other equity, since the benefit of deferral was not taken by the Company and in the previous year the benefit was recognised in Capital contribution.
Refer Note 16 for the amount transferred to Capital Contribution in Other Equity due to above change.





Notes to the financial statements *(Continued)*

as at 31 March 2022

(Currency Indian rupees, in thousands)

18 Lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Long term maturities of lease obligations		
Land lease	14,673.18	14,673.66
	14,673.18	**14,673.66**

19 Other non-current financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued on debentures (refer Note 17)	-	34,474.13
	-	**34,474.13**

20 Other non-current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Unamortised grant	1,50,994.23	1,58,184.43
Less : current portion of unamortised grant (refer Note 25)	(7,190.20)	(7,190.20)
	1,43,804.03	**1,50,994.23**

21 Current financial liabilities - borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Current maturities of long-term borrowings (refer note. 17)		
- from bank	-	37,599.55
- from financial institution	-	39,531.28
- NCD	1,06,574.31	-
	1,06,574.31	**77,130.83**

22 Lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Lease obligations		
Current maturities of lease obligation (refer note. 18)	1,541.25	1,541.25
	1,541.25	**1,541.25**

23 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Outstanding dues to micro enterprise and small enterprises. (refer note no. 35)	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises	32,668.73	14,252.01
	32,668.73	**14,252.01**

Trade payable Aging

Particulars	Not due	< 1 year	1-2 years	2- 3 years	More than 3 years	Total
As at 31 March 2022						
Undisputed Micro enterprise and small enterprise	-	-	-	-	-	-
Undisputed creditors other than micro enterprises and small enterprises	-	24,090.67	-	-	-	24,090.67
Unbilled dues	8,578.06	-	-	-	-	8,578.06
As at 31 March 2021						
Undisputed Micro enterprise and small enterprise	-	-	-	-	-	-
Undisputed creditors other than micro enterprises and small enterprises	-	12,219.92	-	-	-	12,219.92
Unbilled dues	2032.09	-	-	-	-	2,032.09

Notes to the financial statements *(Continued)*

as at 31 March 2022

(Currency Indian rupees, in thousands)

24 Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued on borrowings (refer Note 17)	34,263.35	893.84
Expenses payable to		
-employees	79.26	237.20
-others	499.46	499.46
	34,842.07	**1,630.50**

25 Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Unamortised grant*	7,190.20	7,190.20
Statutory dues (Tax deduction at source and Goods and Services tax)	332.21	941.36
	7,522.41	**8,131.56**

*Refer note. 20 for non-current portion of the grant

26 Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for compensated absences	37.50	38.80
	37.50	**38.80**

Chartered Accountants

Sepset Constructions Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

27 Revenue from Operations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of power	4,13,123.01	4,17,130.33
	4,13,123.01	**4,17,130.33**

There is no disaggregation of revenue as there is only sale of power and the same is sold to only one customer for each projects in india

Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:		
Revenue as per contracted price	4,13,123.01	4,17,130.33
Adjusted for:		
- Discounts / Rebates	-	-
Total revenue	**4,13,123.01**	**4,17,130.33**

Changes in Unbilled revenue are as follows:		
Balance at the beginning of the year (refer note. 9)	39,456.20	41,378.82
Revenue recognised during the year	4,13,123.01	4,17,130.33
Invoices raised during the year	4,11,825.58	4,19,052.95
Balance at the end of the year (refer note. 9)	**40,753.63**	**39,456.20**

28 Other Income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest income		
- from bank deposits	7,024.16	12,761.89
- on security deposits	460.15	412.87
- on Income tax Refund	-	19.88
- on financial assets measured at amortised cost	2,999.72	7,292.55
- on loan to group company	67,273.12	46,372.60
Fair value gain on finanncial instruments at fair value through profit and loss	72.63	-
Foreign exchange gain (net)	100.70	-
Amortisation of grant	7,190.20	7,190.20
Miscellaneous income	1,579.40	853.85
	86,700.07	**74,903.84**

29 Employee benefit expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and incentive	2,700.54	2,794.62
Contribution to provident and other funds	0.69	3.51
	2,701.23	**2,798.13**

30 Finance costs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expenses on		
Term loan	41,068.09	1,81,366.85
Compulsory convertible debentures (Refer Note 16 and 17)	71,563.56	66,667.22
NCD	94,345.40	-
Lease liability*	1,540.77	1,540.78
Others	1,497.50	1,497.50
Other finance cost		
Prepayment Charges	25,168.01	
Other (upfront fees, processing fees, trustee fees)	21,431.12	2,833.46
	2,56,614.45	**2,53,905.81**

*The total cash outflow for leases is Rs. 1,541.25 thousands (31 March 2021: Rs 1,541.25 thousands) for the year ended 31 March 2022 as against the interest on lease liabilities of Rs. 1,540.77 thousands (31 March 2021: Rs 1,540.78 thousands) for the year.

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

31 Depreciation and amortisation expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment	89,123.60	89,060.49
Depreciation on Right of use assets	782.49	782.48
Amortisation on intangible assets	246.65	
	90,152.74	**89,842.97**

32 Other expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Operation and maintenance expenses	14,024.65	13,830.54
Repairs and maintenance	1,445.70	7,377.97
Rates and taxes	413.95	4,195.74
Rent	92.12	161.30
Legal and professional charges	2,824.39	5,365.23
Management fees	7,786.19	7,415.42
Electricity and water expenses	5,780.42	6,283.93
Insurance expenses	4,797.24	3,251.29
Security expenses	7,088.25	6,602.32
Payment to auditors' (refer note below)	1,231.77	472.00
Corporate Social Responsibilty expenses (Refer Note No.42)	154.79	-
Miscellaneous expenses	1,329.31	1,516.56
	46,968.78	**56,472.30**

Payment to auditors' (including taxes)

	Year ended 31 March 2022	Year ended 31 March 2021
As auditor:		
Statutory audit fees, Limited review, certification, etc. (including taxes)	1,231.77	472.00
	1,231.77	**472.00**

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14th Floor
Central B Wing and
North C Wing,
Nesco IT Park4,
Nesco Center,
Chartered Accountants

Sepset Constructions Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

33 Lease commitments

Lease commitments are the future cash outflows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets and leases with term less than twelve months which amounts to Rs. 92.12 thousands (31 March 2021: Rs 161.30 thousands) debited to Statement of Profit and Loss. The entire amount pertains to commitment for less than one year.

34 Earnings per share

Particulars		31 March 2022	31 March 2021
Basic earnings per share			
Numerator:			
Profit / (Loss) after tax attributable to equity shareholders	A	**72,654.10**	2,787.47
Denominator:			
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the year		**2,34,15,436**	2,34,15,436
Equity shares issued during the year		**-**	-
Number of equity shares outstanding at the end of the year		**2,34,15,436**	2,34,15,436
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)	B	**2,34,15,436**	2,34,15,436
Basic earnings per share	A / B	**3.10**	0.12
Face value per share		**10**	10
Diluted earnings per share			
Numerator:			
Profit / (Loss) after tax attributable to equity shareholders	A	**72,654.10**	2,787.47
Denominator:			
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)		**2,34,15,436**	2,34,15,436
Add: Effect of dilutive issues on conversion of compulsorily convertible debentures*		**-**	-
Total weighted average number of equity shares outstanding during the year	B	**2,34,15,436**	2,34,15,436
Diluted earnings per share*	A / B	**3.10**	0.12
Face value per share		**10**	10

*For the year ended 31 March 2022, 4,29,46,849 (31 March 2021: 4,29,46,849) compulsory convertible debenture are excluded from the calculation of diluted weighted average number of equity shares since the conversion ratio is unknown.

35 Dues to micro and small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 given below.

Particulars	31 March 2022	31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	**Nil**	Nil
- Interest	**Nil**	Nil
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) MSMED	**Nil**	Nil
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**Nil**	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**Nil**	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	**Nil**	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**Nil**	Nil

Notes to the financial statements (Continued)
for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

36 Financial instruments – Fair values and risk management

(a) Accounting classification and fair values

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.
It does not include fair value information for financial assets and financial liabilities not measured at fair value, if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair value			
31 March 2022	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Cash and cash equivalents	-	-	45,198.29	45,198.29	-	-	-	-
Other bank balances	-	-	1,69,764.00	1,69,764.00	-	-	-	-
Trade receivables (including unbilled revenue)	-	-	1,24,744.18	1,24,744.18	-	-	-	-
Interest accrued on deposits with banks	-	-	596.47	596.47	-	-	-	-
Loans and Security deposits	-	-	8,30,800.00	8,30,800.00	-	-	-	-
Other financial assets	72.63	-	1,66,497.66	1,66,570.28	-	72.63	-	72.63
	72.63	-	13,37,600.60	13,37,673.23	-	72.63	-	72.63
Financial liabilities								
Borrowings - long term	-	-	22,03,869.61	22,03,869.61	-	-	-	-
Lease liability - long term			14,673.18	14,673.18	-	-	-	-
Borrowings - Short term (including current maturities of long term borrowing)	-	-	1,06,574.31	1,06,574.31	-	-	-	-
Lease liability - short term (including current maturities)			1,541.25	1,541.25	-	-	-	-
Trade payables	-	-	32,668.73	32,668.73	-	-	-	-
Other non current financial liabilities	-	-	-	-	-	-	-	-
Other current financial liabilities	-	-	34,842.07	34,842.07	-	-	-	-
	-	-	23,94,169.14	23,94,169.15	-	-	-	-

	Carrying amount				Fair value			
31 March 2021	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Cash and cash equivalents	-	-	99,566.35	99,566.35	-	-	-	-
Other bank balances	-	-	1,42,572.37	1,42,572.37	-	-	-	-
Trade receivables (including unbilled revenue)	-	-	1,18,492.83	1,18,492.83	-	-	-	-
Interest accrued on deposits with banks	-	-	176.64	176.64	-	-	-	-
Security deposits	-	-	6,82,671.99	6,82,671.99	-	-	-	-
Other financial assets	-	-	1,15,936.03	1,15,936.03	-	-	-	-
	-	-	11,59,416.21	11,59,416.21	-	-	-	-
Financial liabilities								
Borrowings - long term	-	-	22,14,762.25	22,14,762.25	-	-	-	-
Lease liability - long term	-	-	14,673.66	14,673.66	-	-	-	-
Borrowings - Short term (including current maturities of long term borrowing)	-	-	77,130.83	77,130.83	-	-	-	-
Lease liability - short term (including current maturities)	-	-	1,541.25	1,541.25	-	-	-	-
Trade payables	-	-	14,252.01	14,252.01	-	-	-	-
Other non current financial liabilities			34,474.13	34,474.13				
Other financial liabilities	-	-	1,630.50	1,630.50	-	-	-	-
	-	-	23,58,464.63	23,58,464.63	-	-	-	-

(b) Financial risk management

The Company has exposures to the following risks arising from financial instruments:
i) Credit risk ;
ii) Liquidity risk ;
iii) Market risk ; and
iv) Interest risk

Risk management framework

The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which employees understand their roles

The Board of directors monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of directors are assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

36 Financial instruments – Fair values and risk management *(Continued)*

(b) Financial risk management *(Continued)*

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amounts of financial assets represent the maximum credit exposure.

Trade and unbilled revenue

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customer to which the Company grants credit terms in the normal course of business. The Company establishes an allowances for doubtful debts and impairments that represents its estimates of incurred losses in respect of trade and unbilled revenue.

Gross trade receivables as on 31 March 2022 is Rs 124,744.18 thousands and as on 31 March 2021 is Rs 118,492.83 thousands.

The Company's credit risk is attributable only to Solar Energy Corporation of India Limited (SECI) for 40 MW and Maharashtra State Electricity Distribution Company Limited (MSEDCL) for 2 MW plant. The company has total exposure in trade receivables amounting to Rs 124,744.18 thousands and as on 31 March 2021 Rs 118,492.83 thousands.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Cash and cash equivalents, Interest accrued on deposits with banks and other bank balance

The Company held cash and cash equivalents and other bank balances with credit worthy banks and financial institutions of Rs 2,14,962.29 thousands as at 31 March 2022 (31 March 2021 : Rs 2,42,138.72 thousands), and interest accrued on deposits with banks amounting to Rs. 596.47 thousands as at 31 March 2022 (31 March 2021 : Rs. 176.64). The credit worthiness of the such bank is evaluated by management on an ongoing basis and is considered to be good.

Security deposits given to lessors of the lands and to others

The Company has given security deposits to lessors of the lands towards solar project at SECI and MSEDCL. Also, the Company has given security deposit to SECI as part of Power Purchase Agreement (PPA). The Company does not perceive any credit risk pertaining to the deposit given to the lessors and SECI.

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Sepset Constructions Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

36 Financial instruments – Fair values and risk management (Continued)

(b) Financial risk management *(Continued)*

ii *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its finance obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

In the current year, company has raised fund through issue of term loans from banks and others. The Company constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. The management monitor's the Company's net liquidity position through rolling forecasts on the basis of expected cash flow.

Exposure to liquidity risk

The following are the remaining maturities of the financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payment.

The table below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non derivative financial liabilities

		Contractual cash flows				
31 March 2022	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Borrowings	**23,10,443.92**	**23,10,443.92**	**1,06,574.31**	**1,11,365.04**	**16,63,036.10**	**4,29,468.48**
Interest accrued but not due on borrowings	**34,263.35**	**16,51,806.97**	**2,22,982.55**	**1,81,712.81**	**2,33,366.82**	**10,13,744.80**
Trade payables	**32,668.73**	**32,668.73**	**32,668.73**	**-**	**-**	**-**
Lease liability	**16,214.43**	**1,23,544.91**	**1,541.25**	**1,541.25**	**4,623.75**	**1,15,838.66**
Other current financial liabilities	**578.72**	**578.72**	**578.72**	**-**	**-**	**-**

		Contractual cash flows				
31 March 2021	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Borrowings	22,91,893.08	22,91,893.08	77,731.99	81,599.82	2,71,563.35	18,60,997.92
Interest on borrowings	35,367.97	29,96,224.86	1,66,800.52	2,68,178.83	7,17,527.65	18,43,717.86
Trade payables	14,252.01	14,252.01	14,252.01	-	-	-
Lease liability	16,214.91	1,25,086.16	6,165.00	6,165.00	18,495.00	94,261.16
Other current financial liabilities	736.66	736.66	736.66	-	-	-

The gross outflows disclosed in the above table represent the contractual undiscounted cash flows relating to non -derivative financial liabilities.

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Sepset Constructions Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

36 Financial instruments – Fair values and risk management *(Continued)*

(b) Financial risk management *(Continued)*

iii *Market risk*

Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

Foreign currency risk exposure:

The Company exposure to foreign currency risk at the end of the reporting period are as follows:

Particulars	Foreign currency (FC)	Amount (FC)	31 March 2022	31 March 2021
Foreign curreny exposure (payable)	USD	139.00	10,553.58	-

The above foreign currency exposure is fully hedged as on 31 March 2022 as the Company has taken forward contract. Hence, the unhedged foreign currency exposure is Nil.

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	31 March 2022	31 March 2021
USD sensitivity		
INR/USD- increase by 10% (31 March 2021 : Nil)	1,055.36	-
INR/USD- decrease by 10% (31 March 2021 : Nil)	(1,055.36)	-

(Currency Indian rupees, in thousands)

36 Financial instruments – Fair values and risk management *(Continued)*

(b) Financial risk management *(Continued)*

iv *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from bank and other entity.

For details of the Company's long-term and short-term loans and borrowings, including interest rate profiles, refer to Note 10, Note 11, Note 12, Note 17 and Note 21 of these financial statements.

Particulars	31 March 2022	31 March 2021
Fixed rate instruments		
Financial assets	**10,42,014.00**	9,14,672.37
Financial liabilities	**22,03,869.61**	4,29,468.49
	(11,61,855.61)	**4,85,203.88**
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	18,62,424.59
	-	**(18,62,424.59)**

Interest rate sensitivity - fixed rate instruments

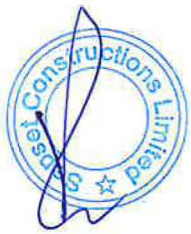
The Company's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate instruments

	Profit/(loss)		Equity, net of tax	
	100 bps increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2022				
Variable-rate instruments	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-
31 March 2021				
Variable-rate instruments	**18,624.25**	**(18,624.25)**	**13,936.53**	**(13,936.53)**
Cash flow sensitivity (net)	**18,624.25**	**(18,624.25)**	**13,936.53**	**(13,936.53)**

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.





Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

36 Financial instruments – Fair values and risk management *(Continued)*

(c) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings (exlcuding Compulsorily Convertible Debentures (CCD)) less cash and cash equivalents and . Adjusted equity comprises all components of equity and CCD.

The Company's adjusted net debt to equity ratio at 31 March 2022 and at 31 March 2021 was as follows:

Particulars	**31 March 2022**	31 March 2021
Non-Current borrowings	17,74,401.12	17,85,293.76
Current borrowings	1,06,574.31	77,130.83
Interest accrued on borrowings	34,263.35	35,367.97
Gross Debt considered	**19,15,238.78**	18,97,792.56
CCD not considered in borrowing*	4,29,468.49	4,29,468.49
Total Debt as per financial	**23,44,707.27**	23,27,261.05
Less : Cash and cash equivalents and other bank balances	2,14,962.29	2,42,138.72
Adjusted net debt	**17,00,276.49**	16,55,653.84
Equity*	7,99,291.10	7,42,731.84
CCD*	4,29,468.49	4,29,468.49
Total Equity	**12,28,759.59**	11,72,200.33
Adjusted net debt to equity ratio	**1.38**	1.41

*Equity includes capital and all reserves of the Company that are managed as capital. Total equity also includes compulsorily convertible instruments (CCD) and earnings based distributions. CCD's are not considered as borrowings as taken from Ultimate Holding Company and fully convertible into equity shares. CCD's are subordinated to external debts and cannot be paid before the external debts are repaid.

In addition, borrowings are subject to certain financial covenants such as interest coverage service ratio, debt to EBITDA, etc. which are complied by the Company.





Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

37 Related party relationships, transactions and balances

I Name of related parties and nature of relationship

(a) Related party relationship	
Nature of relationship	**Name of party**
Ultimate Holding Company	India Infrastructure Fund II
Intermediate Holding Company	Vector Green Energy Private Limited
Holding Company	Vector Green New Energies Private Limited (formerly known as RattanIndia Solar Private Limited
Fellow Subsidiaries	Vector Green Sunrise Limited (formerly known as RattanIndia Energy Resources Limited) Yarrow Infrastructure Private Limited Vector Green Prayagraj Private Limited (formerly known as RattanIndia Solar 2 Private Limited) Citra Real Estate Limited Priapus Infrastructure Limited Pasithea Infrastructure Limited
Companies under same management	Winsol Solar Fields (Polepally) Private Limited Mahabubnagar Solar Parks Private Limited Polepally Solar Parks Private Limited Vector Green Sunshine Private Limited Vector Green Surya Urja Private Limited Hindupur Solar Park Private Limited Malwa Solar Power Generation Private Limited Vector Green New Solar Private Limited (from 10 October 2020)
Key Managerial Personnel - directors	Mr. T C Pattabiraman Mr. Abhishek Goel Mr. Sameer Mathur Mr. Sivaramakrishnan Vijayaraghavan

II Transaction carried out with related parties referred in I above for the year ending 31 March 2022 and 31 March 2021

Sr. No	Nature of transaction	Ultimate/ Intermediate Holding Company		Holding Company		Fellow Subsidiaries/ Companies under same management	
		31 March 2022	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021
	Transactions during the year						
1	Loan / Inter corporate deposit repaid back						
	Yarrow Infrastructure Private Limited	-	-	-	-	-	48,318.00
2	Loan / Inter corporate deposit received back						
	Citra Real Estate Limited	-	-	-	-	-	1,015.00
	Vector Green Prayagraj Solar Private Limited	-	-	-	-	-	2,00,000.00
	Vector Green Energy Private Limited	**3,35,400.00**					
3	Loan given during the year						
	Vector Green Energy Private Limited	-	6,50,000.00	-	-	-	-
	Hindupur Solar Park Private Limited	-	-	-	-	**2,42,200.00**	-
	Winsol Solar Fields Private Limited	-	-	-	-	**2,47,500.00**	-
4	Interest income on loan given						
	Vector Green Energy Private Limited	**50,372.48**	46,372.60	-	-	-	-
	Hindupur Solar Park Private Limited	-	-	-	-	**8,546.67**	-
	Winsol Solar Fields Private Limited	-	-	-	-	**8,353.97**	-
5	Management support fees						
	Vector Green Energy Private Limited	**7,786.19**	7,415.42	-	-	-	-
6	Reimbursement of expenses						
	Vector Green Energy Private Limited	**9,928.77**	1,882.52	-	-	-	-
7	Compulsorily convertible debentures (recognition and de-recognition)						
	Compulsorily convertible debentures - derecognition						
	Vector Green New Energies Private Limited	-	-	-	(4,34,462.00)	-	-
	India Infrastructure Fund II	-	(2,18,468.49)	-	-	-	-
	16% Compulsorily convertible debentures - recognition						
	Vector Green New Energies Private Limited	-	-	-	2,11,000.00	-	-
	India Infrastructure Fund II	-	2,18,468.49	-	-	-	-
8	Compulsorily convertible debentures (transferred)						
	Vector Green New Energies Private Limited	-	-	-	(2,11,000.00)	-	-
	India Infrastructure Fund II	-	2,11,000.00	-	-	-	-
9	Interest on CCD						
	India Infrastructure Fund II	**71,563.56**	66,667.22	-	-	-	-

Notes to the financial statements (Continued)
for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

III Outstanding balances with related parties referred I above as at 31 March 2022 and 31 March 2021

Sr. No	Nature of transaction	Ultimate / Intermediate Holding Company		Holding Company		Fellow Subsidiaries/ Companies under same management	
		31 March 2022	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021
	Closing Balances						
1	16% Compulsorily convertible debentures						
	India Infrastructure Fund II	**4,29,468.49**	4,29,468.49	-	-	-	-
2	Interest payable on CCD						
	India Infrastructure Fund II	**34,263.35**	34,474.13	-	-	-	-
3	Loan given						
	Vector Green Sunrise Limited	-	-	-		**26,500.00**	26,500.00
	Vector Green Energy Private Limited	**3,14,600.00**	6,50,000.00	-	-	-	-
	Hindupur Solar Park Private Limited	-	-	-	-	**2,42,200.00**	-
	Winsol Solar Fields Private Limited	-	-	-	-	**2,47,500.00**	-
4	Interest income accrued on loan						
	Vector Green Energy Private Limited	**88,229.89**	42,894.66	-	-	-	-
	Hindupur Solar Park Private Limited	-	-	-	-	**7,692.01**	-
	Winsol Solar Fields Private Limited	-	-	-	-	**7,518.58**	-
5	Reimbursement of expenses payable						
	Vector Green Energy Private Limited	**4,384.28**	1,035.72	-	-	-	-

Refer note no. 16 and 17 for transactions with Holding/ Ultimate Holding Company, Compulsorily convertible debentures (CCD) and Corporate Guarantee given by the fellow Subsidiary Companies.

Refer note 43 for Corporate Guarantee given by the Company jointly in favour of fellow Subsidiary Companies.

B S R & Co. LLP Chartered Accountants

Sepset Constructions Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

38 Income Taxes

a) Income Tax Assets (Net)

	For the year ended 31 March 2022	For the year ended 31 March 2021
The following table provides the details of income tax assets and liabilities:		
a) Income tax assets	13,545.07	9,570.75
b) Current income tax liabilities	-	-
Net income tax assets	13,545.07	9,570.75
The gross movement in the current tax asset:		
Net current income tax assets/ (liabilities) at the beginning	5,979.95	2,232.21
Income tax refund	-	(711.08)
Tax deductible at source	7,565.12	4,458.82
Current income tax expense	-	-
Total	**13,545.07**	**5,979.95**

b) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before income tax	**1,03,385.88**	**89,014.96**
Applicable income tax rate	25.17%	25.17%
Computed expected tax expense	**26,022.23**	**22,405.07**
Changes in unrecognised temporary differences	2,955.45	(97,309.18)
Reversal Impact on compulsary convertible debentures (Refer Note 17)	-	1,52,845.93
Unrecognised tax losses for the current year	2,025.46	8,285.67
Others	(271.36)	-
Income tax expense charged to the Statement of Profit and Loss	**30,731.78**	**86,227.49**

c) Components of deferred income tax assets and liabilities arising on account of temporary differences are:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred income tax asset		
(a) Deferred tax assets		
Unabsorbed depreciation and carried forward losses	23,389.50	25,414.95
Other temporary differences	18,645.17	18,714.13
	42,034.67	44,129.08
(b) Deferred tax liability		
Timing difference on depreciation and amortisation of tangible and intangible assets	1,58,993.94	1,30,356.57
Net deferred tax (liability)	**(1,16,959.27)**	**(86,227.49)**

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Movement in deferred tax assets / (liabilities)

	Timing difference on depreciation and amortisation of tangible and intangible assets	Unabsorbed depreciation and carried forward losses	Other temporary differences	Total
As at April 1, 2020	(1,00,840.66)	-	1,00,840.66	-
(Charged) / credited				
- to profit or loss	(29,515.91)	25,414.95	(82,126.53)	(86,227.49)
As at March 31, 2021	**(1,30,356.57)**	**25,414.95**	**18,714.13**	**(86,227.49)**
(Charged) / credited				
- to profit or loss	(28,637.37)	(2,025.45)	(68.96)	(30,731.78)
As at March 31, 2022	**(1,58,993.94)**	**23,389.50**	**18,645.17**	**(1,16,959.27)**

d) The details of carry forward unabsorbed depreciation is as below:

	FY	31 March 2022 Gross amount	Expiry date	31 March 2021 Gross amount	Expiry date
Unabsorbed Depreciation	2016-17	**52,851.69**	**NA**	57,003.65	NA
Unabsorbed Depreciation	2017-18	**32,875.92**	**NA**	32,875.92	NA
Unabsorbed Depreciation	2020-21	**7,404.06**	**NA**	11,101.63	NA

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

39 Segment Reporting

Business Segment:

The Company is mainly engaged in the business of developing and operating solar power projects in India. Based on the information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of performance, there is only single operating segment in accordance with the requirements of Indian Accounting Standard 108-'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

Sale of Power amounting to INR 4,13,123.01 thousands (31 March 2021 : Rs. 4,17,130.33 thousands) during the year is to a single customer, Solar Energy Corporation of India Limited (SECI) for 40 MW and Maharashtra State Electricity Distribution Company Limited (MSEDCL) for 2 MW plant.

40 Grant

The Solar power business ('Solar Project') is eligible for Viability Gap Funding ('VGF' or 'Grant') from Solar Energy Corporation of India ('SECI') amounting to Rs, 1,95,980.40 thousands under the "Jawaharlal Nehru National Solar Mission (JNNSM) scheme" of SECI for Implementation of Solar Power Projects. The Company had received 50% of the Grant on start of the project and the balance of the grant will be received progressively over the next five year as per the schedule given below:

End of 1st year from commercial operation date	10%
End of 2nd year from commercial operation date	10%
End of 3rd year from commercial operation date	10%
End of 4th year from commercial operation date	10%
End of 5th year from commercial operation date	10%

The Project has so far received grant amounting to Rs. 1,37,186.28 thousands.
The balance amount of grant will be released subject to fulfilment of the requirements of the project performance and no event of default as per terms and conditions of the Power Purchase Agreement with SECI.

As per the Viability Gap Funding agreement, the grant is given on the condition that the Company will operate the plant for a period of 25 years failing which the Company will be liable to refund the grant based on the period of operation of the plant.

The grants are secured in favour of the SECI by second ranking pari passu charges on the land, current assets and movable properties attributable to solar project situated at Katol, Maharashtra, rights under project agreements entered by the Company, accounts and receivables related to project and rights under Insurance Policies of Company related to project.

41 Utilisation of proceeds from Debentures

During the current year, the Company raised a sum of Rs. 19,70,000.00 thousands (31 Mar 2021: Rs Nil) through listing of non-convertible debentures for repayment of outstanding loans, maintenance of debt service reserve account and general corporate purpose. The utilisation details is as follows:

Particulars	NCD -Listed
31 March 2021	-
Proceeds from term loans during the year	19,70,000.00
Utilisation during the year	
Repayment of existing borrowings	18,59,022.52
Transaction related expense	41,615.54
Un-utilised amount as at 31 March 2022	**69,361.94**

42 Corporate Social responsbility

A Gross amount required to be spent by the company during the year 2021-22 - Rs.154.79 thousands.(PY Nil)

B Amount approved by the board required to be spent by the company during the year 2021-22 - Rs.154.79 thousands (PY Nil)

C

Particulars	For the year ended 31 March 2022 Amount	For the year ended 31 March 2021 Amount
Amount Spent during the year on :		
i.Construction /Acquisition of any assets	-	-
ii. Purposes other than (i) above (Skill & rural development, promotion of education, etc)	-	-
	-	-
In Cash	-	-
Yet to be paid in cash	-	-
	-	-

The Company has not spent the amount required for the CSR activities during the year 2021-22, however subsequently the same has been transferred to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) as prescribed under Schedule VII of the Companies Act, 2013.

Notes to financial statements *(Continued)*

for the year ended 31 March 2022

(Currency Indian rupees in thousands)

43 Contingent liabilities and capital commitments

The Company does not have any pending litigations and capital commitments which would impact its financial position.

During the year, the fellow subsidiaries of the Company viz. Yarrow Infrastructure Private Limited, RattanIndia Solar 2 Private Limited (name changed to Vector Green Prayagraj Solar Pvt. Ltd.), Citra Real Estate Limited, Priapus Infrastructure Limited and Malwa Solar Power Generation Private Limited got their NCD listed on BSE. As part of the Information memorandum and Debenture Trust Deed, the Company has given Corporate Guarantee jointly with others in favour of other fellow Subsidiary Companies for the NCD listed by them under the Information memorandum. The Guarantee (jointly) is to the extent of the NCD issued by the above mentioned fellow subsidiary Companies aggregating to Rs 104,00,000 thousands and subject to the cash surplus available with the Company.

During the previous year, the Company had obtained loan from banks and NBFC (Lenders) jointly with other fellow subsidiaries namely Yarrow Infrastructure Private Limited, Citra Real Estate Limited, Priapus Infrastructure Limited and RattanIndia Solar 2 Private Limited. As a part of the facility agreement dated 4 March 2020 with the lenders, the Company has given Corporate Guarantee jointly in favour of other fellow Subsidiary Companies for the loans taken by them under the above facility agreement. The Guarantee (jointly) is to the extent of the loans taken by the above mentioned Subsidiary Companies aggregating to Rs 7,804,686 thousands outstanding as on 31 March 2021 and subject to the cash surplus available with the Company. The loan from banks and NBFC was repaid during the year.

44 Accounting Ratios

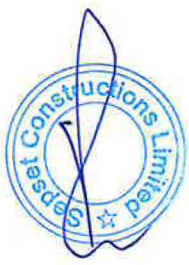
Sr. No.	Particulars	31 March 2022	31 March 2021	Variation	Remarks
1	Current Ratio	**7.22**	10.93	-34.0%	Due to increase in current liabilities
2	Debt Equity Ratio	**2.35**	2.51	-6.2%	
3	Debt Service Coverage Ratio	**1.71**	1.67	2.4%	
4	Return on Equity	9.42%	0.66%	1325.3%	Due to increase in profit
5	Inventory Turnover ratio	NA	NA	0.0%	
6	Trade receivable turnover ratio	**3.40**	3.52	-3.5%	
7	Net capital turnover ratio	0.36	0.41	-11.3%	
8	Net profit ratio	17.59%	0.67%	2531.7%	Due to increase in net profit
9	Trade payable turnover ratio	NA	NA	0.0%	
10	Return on capital employed	10.19%	11.35%	-10.2%	
11	Return on investment	NA	NA	0.0%	

The basis of computation of above parameters is provided in the table below:

Sr. No.	Ratio	Basis of computation
1	Current ratio	Current assets / current liabilities
2	Debt - equity ratio*	Total external debt/ Net worth
3	Debt Service Coverage Ratio*	(Profit before Tax +depreciation+Interest) / (Interest expenses on external borrowings (+) principal repayments of external borrowings)
4	Return on Equity	(Net Profits after taxes) / (Average Shareholders Equity)
5	Inventory turnover	Cost of goods sold / (average inventory / no of days for the period)
6	Trade receivable turnover ratio	Revenue from operations / average trade receivables
7	Net capital turnover ratio	(Net Sales)/(Working Capital)
8	Net profit ratio	Net profit /Net Sales
9	Return on capital employed	(Earnings before interest and taxes) /(Tangible Net Worth+Total Debt)

* In case of debt -equity and debt service coverage ratio, only external debt has been considered. If we consider CCD also as per part of Debt, the Debt Equity ratio will be 2.89 (31 March 2021- 3.09) and debt service coverage ratio will be 1.31 (31 March 2021: 1.32).





Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency Indian rupees, in thousands)

45 **Long term contracts**
The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that there are no long term contracts including derivative contract for which there were any material foreseeable loss.

46 The Company is engaged in the business of providing infrastructural facilities i.e. Power generation. Hence, the Company is exempted from the provision of Section 186 of the Companies Act, 2013 except sub-section (1).

47 The Company has not traded or invested in crypto currency or virtual currency during the financial year.

48 There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

49 The company has not done any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

50 There are are no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond statutory period.

51 The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

52 The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.

53 Previous year figures have been re-grouped/ re-classified wherever necessary, to confirm to current year's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1 April 2021

54 **Other matters**
Information with regards to other matters specified in Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013 is either nil or not applicable to the Company for the year.

As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/W - 100022

Dinesh Jangid
Partner
Membership No. 111818

Mumbai
27 May 2022

For and on behalf of Board of Directors of
Sepset Constructions Limited
CIN : U45300DL2007PLC163109

Amol Sawant	**T.C. Pattabiraman**	**Abhishek Goel**	**Anisha Deep Babur**
Chief Financial officer	*Director*	*Director*	*Company Secretary*
	DIN : 07086771	DIN : 05278410	Membership No. A25986
Mumbai	Mumbai	Mumbai	Mumbai
27 May 2022	27 May 2022	27 May 2022	27 May 2022