



SEPC

Engineering the Future



SEPC Limited

(formerly known as Shriram EPC Limited)

Twenty Third Annual Report

2022-23

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Abdulla Mohammad Ibrahim Hassan Abdulla
(DIN 09436100) - Chairman

Mr. N K Suryanarayanan
(DIN 01714066) - Managing Director & CEO

Dr. R Ravichandran
(DIN 01929603) - Independent Director

Dr. Arun Kumar Gopaldaswamy
(DIN 07212557) - Independent Director

Mr. Rajesh Kumar Bansal
(DIN 09634747) - Independent Director

Ms. S Gayathri
(DIN 07342382) - Independent Director

Mr. P.D. Karandikar
(DIN :02142050) – Chairman
(Resigned w.e.f. 22-09-2022)

Mr. T. Shivaraman
(DIN :01312018) – Managing Director &CEO
(Retired w.e.f. 19-09-2022 E.O.D)

Mr. M. Amjat Shariff
(DIN :00009562) – Joint Managing Director
(Retired w.e.f. 19-09-2022 E.O.D)

Mr. S. Bapu
(DIN :02541697) – Independent Director
(Resigned w.e.f. 23-09-2022)

Ms. Chandra Ramesh
(DIN :00938694) – Independent Director
(Resigned w.e.f. 23-09-2022)

Mr. K S Sripathi
(DIN :02388109) – Independent Director
(Resigned w.e.f. 23-09-2022)

Mr. Kallika Prasad Agarwal
(DIN: 08577405)– Nominee Director – Punjab National
Bank (Nomination withdrawn w.e.f.23.06.22)

CHIEF FINANCIAL OFFICER

Mr. R.S. Chandrasekharan

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. T Sriraman

AUDITORS

MSKA & Associates, Chartered Accountants
5th floor main building, Guna Complex,
New No. 443 & 445, Old No. 304 & 305, Mount Road,
Teynampet, Chennai - 600018, India.

BANKERS

Punjab National Bank

Central Bank of India

Axis Bank Limited

IDBI Bank Limited

State Bank of India

Asset Reconstruction Company (India) Limited

ICICI Bank limited

Indian Bank

Bank Of Maharashtra

Bank Of India

Indusind Bank Limited

DBS Bank Limited

Corporation Bank

Federal Bank Limited

Yes Bank Limited

Bank of Baroda

IFCI Factors

Assets Care & Reconstruction Enterprise Limited

REGISTERED OFFICE

10/1, Bascon Futura, 4th Floor,
Venkatnarayana Road, T. Nagar,
Chennai – 600 017.

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CHAIRMAN'S MESSAGE

Dear Shareholders,

I am delighted to announce that I have officially assumed the position of Chairman of the Company, effective from September 24, 2022. I extend my gratitude to the former Chairman and the Board for facilitating a seamless transition.

In the wake of global challenges brought about by the Covid-19 pandemic, supply chain disruptions, fluctuations in commodity prices, and geopolitical factors, the Construction and Engineering sector worldwide is making strides towards recovery, and India is no exception to this trend.

I am pleased to report that your Company executed the Resolution Plan under the RBI Circular titled "Prudential Framework on Stressed Assets" on September 30, 2022. This plan, approved by our lenders, not only led to the successful infusion of an additional equity of Rs. 350 crores but also saw the conversion of Rs. 350 crores of debt into long-dated securities of NCDs and CCDs.

Furthermore, in May 2023, your Company effectively concluded a Rights Issue amounting to Rs. 49.90 crores, a move aimed at fortifying our long-term working capital requirements. I express my heartfelt gratitude to all the investors who exhibited confidence in the Company and its new Management, resulting in an over subscription of the issue.

Our dedicated team is diligently working towards the timely completion of ongoing projects while actively pursuing new opportunities to enhance our order book. In line with our strategic expansion efforts, the Company has established a wholly-owned subsidiary named SEPC Arabia Limited. This subsidiary is poised to unlock promising opportunities within the MENA region, aligning with our goals of geographical diversification.

I take this opportunity to extend my appreciation to all stakeholders, including our esteemed bankers, for their unwavering and proactive support. I also extend my heartfelt thanks to our dedicated employees, who have exhibited remarkable resilience in the face of challenges and have embraced new horizons with enthusiasm.

As we move forward, I am optimistic about the future prospects of your Company. With a strong foundation, a dedicated team, and a commitment to excellence, we are poised to overcome challenges and seize opportunities. I wish each of you, as shareholders, and the Company as a whole, continued success and prosperity.

Warm regards,

Abdulla Mohammad Ibrahim Hassan Abdulla

Chairman

FINANCIAL PERFORMANCE - STANDALONE

				As per IND AS						
Statement of Profit and Loss	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	(9 months)									
Gross Sales	495.09	547.66	547.60	519.69	615.04	740.66	681.05	531.93	302.78	378.85
Other Income	26.78	11.03	113.03	87.83	105.33	74.27	48.18	21.31	8.95	12.09
Interest	190.75	190.87	271.73	297.59	103.51	95.45	98.80	106.56	115.68	60.39
Profit Before Taxation	(425.44)	(252.62)	(244.03)	(226.39)	24.26	28.62	(80.99)	(182.89)	(206.23)	(119.25)
Profit After Taxation	(439.37)	(252.85)	(244.03)	(150.92)	10.76	28.62	(80.99)	(182.89)	(249.01)	(12.00)

				As per IND AS						
Balance Sheet	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Fixed Assets (Net)	69.84	70.41	55.21	6,087.37	5,579.13	5,378.42	49.28	44.04	38.74	32.72
Investments (Current and Non current)	45.49	45.49	5.42	1.33	1.31	1.12	1.02	1.04	0.77	0.65
Net Deferred Tax	-	-	414.26	489.74	476.24	476.24	476.24	476.24	433.45	403.23
Net Assets(Current and Non Current)	2,299.58	2,551.98	2,128.43	1,985.41	1,793.44	2,006.19	1,236.38	994.51	746.05	1,084.04
Share Capital	344.36	386.36	330.63	936.97	971.53	971.53	971.53	971.53	971.53	1,321.53
Other Equity	(239.07)	(324.38)	(403.77)	191.67	257.79	286.55	205.67	22.98	(225.48)	(237.49)
Loan Funds	1,724.20	2,121.42	1,878.88	836.19	793.28	632.60	658.32	789.12	978.27	405.83

Notice of Twenty Third Annual General Meeting

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of the Company will be held on Thursday the 21st September of 2023 at 11.00 A.M. I.S.T through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") facility to transact the following business:

ORDINARY BUSINESS:

1. To consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution**:

RESOLVED THAT the Standalone and Consolidated Audited Financial Statements for the financial year ended 31st March 2023, together with the Reports of the Board of Directors and the Auditors' thereon be and are hereby considered, approved and adopted.

2. To consider and if thought fit, to pass with or without modification, the following resolution, as an **Ordinary Resolution**:

RESOLVED THAT pursuant to Section 152(6) of the Companies Act, 2013, Mr. Abdulla Mohammad Ibrahim Hassan Abdulla (DIN: 09436100) who retires by rotation in the Annual General Meeting and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.

SPECIAL BUSINESS:

3. **Ratification of remuneration of Cost Auditor for the financial year ending 31st March, 2024.**

To consider and if deemed fit, to pass, the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to Section 148 (3) and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus applicable taxes and payment of such out of pocket expenses as approved by the Board of Directors of the Company to be paid to GSVK & Co., Cost Accountants, Firm Registration No. 002371 for the conduct of the audit of the cost accounting records of the Company for the financial year ending 31st March, 2024 be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company and Company Secretary be and are hereby authorised to do all acts and take all such steps as may be necessary to give effect to this resolution.

4. **To approve Material Related Party Transaction(s) with M/s. Mark AB Capital Investment LLC and/or its Subsidiaries and/or its affiliates.**

To consider and if deemed fit to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 read with applicable provisions of the Companies Act, 2013 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI and FEMA Regulations and subject to such other Regulations, Guidelines and Laws (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and such conditions as may be prescribed by any of the concerned authorities while granting such approvals, basis on the recommendations of the Audit Committee and the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to the Board, for entering into any contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together with previous transactions during the Financial year), with Mark AB Capital Investment LLC and/or its Subsidiaries and/or its affiliates, Promoter of the Company, pertaining to Availing Unsecured Fund & Non-Fund based Loan and External Commercial Borrowing (ECB), for an amount not exceeding Rs. 250 Crores, (Rupees Two Hundred and Fifty Crores only) as set out under the Explanatory Statement annexed.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalising and executing necessary contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this Resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions with regard to the powers herein conferred to, without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

5. **To increase the authorised share capital of the company and consequent amendment in the Memorandum of Association**

To consider and if deemed fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 13, 61 and 64 of the Companies Act 2013 read with Rule 15 of the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions of the Act read with rules thereunder including any Statutory modifications or re-enactments thereof, for the time being in force and applicable provisions of the Articles of Association of the company, the consent of the members of the company be and is hereby accorded to increase the Authorised Share Capital from Rs. 14,000,000,000 /- (Rupees One Thousand Four Hundred Crores only) divided into 1,400,000,000 (One Hundred and Forty Crore) equity shares of Rs.10/- each (Rupees Ten Only) to Rs. 14,500,000,000 /- (Rupees One Thousand Four Hundred and Fifty Crore only) divided into 1,450,000,000 (One Hundred and Forty Five Crore) Equity Shares of Rs. 10/- each (Rs. Ten only)”.

“RESOLVED FURTHER THAT pursuant to Sections 13 and all other applicable provisions of the Companies Act, 2013, if any including any amendment thereto or re-enactment thereof and the rules framed thereunder, the consent of the members of the company be and is hereby accorded for alteration of Clause V of the Memorandum of Association of the company by substituting the following:

V. The Authorised Share Capital of the Company is Rs. 14,500,000,000 /- divided into 1,450,000,000 equity shares of Rs.10/- each with the rights and

conditions attached thereto as provided by the Articles of Association of the Company for the time being, with powers to divide the shares in the Capital into different classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 or provided by the Articles of Association of the Company for the time being.”

“RESOLVED FURTHER THAT the Board of Directors of the Company and Company Secretary be and are hereby authorised to do all acts and take all such steps as may be necessary to give effect to this resolution”.

By the order of the board

Place: Chennai
Date: 21st August, 2023

T. Sriraman
Company Secretary

Registered Office:
SEPC Limited (Formerly Known as Shriram EPC Limited)
CIN: L74210TN2000PLC045167
10/1, Bascon Futura, 4th Floor, Venkatanarayana Road,
T. Nagar, Chennai – 600 017.
Ph.044-4900 5555, Email: info@sepc.com
Website: <http://www.sepc.in/>

Notes:

1. The 23rd Annual General meeting (AGM) of the company will be held over Video Conferencing/ Other Audio-Visual Means (“VC/OAVM”) in compliance with framework issued by the Ministry of Corporate Affairs through its Circular No. 20/2020, read with Circular Nos. 14/2020, 17/2020, 02/2021, 21/2021, 02/2022 and 10/2022, Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79, Circular no. SEBI/HO/CFD/CMD21/CIR/P/2021/11, Circular no. SEBI/ HO/CFD/CMD2/CIR/P/2022/62 and Circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/4 issued by the Securities and Exchange Board of India in this regard. The deemed venue for the 23rd AGM shall be the Registered Office of the Company from where the Company Secretary of the Company would be convening and attending the AGM.
2. Since the AGM is being held over video conferencing where physical attendance of members in any case has been dispensed with, a member entitled to attend and vote at the meeting will not be eligible to appoint proxies to attend the meeting instead of him/her. Accordingly, the proxy form and attendance slip are not attached to this notice and the resultant requirement for submission of proxy forms does not arise.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing’s body resolution/authorization etc., authorizing their representative to attend the 23rd AGM through VC / OAVM on its behalf and to vote through remote e-Voting. The said resolution/ authorization shall be sent to the Scrutinizer by email through its registered email address to tsr@sepc.in and evoting@cdslindia.com.
4. The register of members and share transfer books of the Company will remain closed from Thursday, 14th September, 2023 to Thursday, 21st September, 2023 (both days inclusive) for the purpose of 23rd AGM of the Company.
5. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting is annexed.
6. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on 13th September, 2023 being Cut-off Date.
7. The Board of Directors has appointed M. Alagar & Associates as the Scrutinizer to scrutinize the e-Voting

- process via remote e-Voting and e-Voting at the 23rd AGM in a fair and transparent manner and she/he has consented to act as scrutinizer.
8. The facility of joining the 23rd AGM through VC/ OAVM will be opened 30 minutes before and will remain open upto 15 minutes after the scheduled start time of the 23rd AGM and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc.
 9. Institutional investors, who are members of the Company, are encouraged to attend and vote at the 23rd AGM of the Company.
 10. In terms of Sections 101 and 136 of the Act read with the rules made thereunder, the listed companies may send the notice of AGM and the annual report, including financial statements, boards' report, etc. by electronic mode. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the 23rd AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for FY 2022 - 23 will also be available on the Company's website <http://www.sepc.in/investors-annual-report.aspx>, website of the Stock Exchanges and E-voting agency i.e. BSE Limited (www.bseindia.com), National Stock Exchange of India Limited (www.nseindia.com) and CDSL (www.evotingindia.com).
 11. Further, those Members who have not registered their email addresses may temporarily get themselves registered with Company's Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Limited ("RTA") by clicking the link: <https://investors.cameoindia.com> for receiving the Annual Report for FY 2022-23 also containing Notice of the AGM.
 12. The register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection in electronic mode. Members can send an email for this purpose.
 13. Members are requested to address all the correspondences, to the Registrar and Share Transfer Agents, M/s. Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai 600002.
 14. Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members holding shares in electronic mode who have not got their e-mail addresses updated with the DP are requested to update their e-mail address and any changes therein. Members holding shares in physical mode are requested to update their e-mail address/mobile number, quoting their folio number, to our Registrar and Share Transfer Agent, viz., M/s. Cameo Corporate Services Limited, in the URL <https://investors.cameoindia.com> or by writing to them at "Subramanian Building" No.1, Club House Road, Chennai 600002, India, or by e-mail to investor@cameoindia.com.
 15. For the purpose of dispatch of this Notice, Shareholders of the Company holding shares either in physical form or in dematerialized form as on 25th August, 2023 have been considered.
- THE INTRUCTIONS TO SHAREHOLDERS FOR E-VOTING AND JOINING THE AGM ARE AS UNDER:**
- Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
- (i) The voting begins on Monday, 18th September, 2023 (9.00 a.m IST) and ends on Wednesday, 20th September, 2023 (5.00 p.m. IST) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) cut-off date as 13th September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
- Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of**

a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.

Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting

facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon& New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
	<ol style="list-style-type: none"> 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and alsoable to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; tsr@sepc.in (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- The Board of Directors of the Company has appointed M. Alagar & Associates to scrutinize the remote e-voting process and e-voting at the AGM in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than two working days from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The results of voting declared along with the Scrutinizer's Report shall be placed on the Company's website <http://www.sepc.in/> and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange(s).
- INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**
1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast three days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at tsr@sepc.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance three days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at tsr@sepc.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no.3

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of Company. On the recommendation of the Audit Committee, the Board has appointed GSVK & Co., Cost Accountants, Firm Registration No. 002371, as Cost Auditors to conduct the audit of cost accounting records of the company for the financial year 2023- 24 at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) exclusive of taxes as may be applicable and payment of such out of pocket expenses as may be mutually agreed payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification.

Memorandum of Interest

None of the Directors or their relatives or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the aforesaid resolution proposed to be passed as an ordinary resolution.

The Board recommends the resolution set forth in Item no. 3 of the Notice for the approval of the members.

Item no. 4

Approval of Material Related Party Transactions under Section 188 of the Companies Act, 2013 read with applicable provisions of the Companies Act, 2013 and as per Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations').

Regulation 23 of the LODR Regulations was amended vide notification dated November 9, 2021, inter-alia, enhancing the scope of related party, related party transactions (RPTs) and the materiality threshold for seeking shareholder approval with effect from April 1, 2022, i.e., if transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 Crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. The Material Related Party Transactions requires approval of the Shareholders by passing an Ordinary Resolution.

Mark AB Capital Investment LLC is a Related Party as defined under Section 2 (76) of the Companies Act, 2013 and/ or under applicable accounting standards. Mark AB Capital Investment LLC is the Promoter of SEPC Limited, holding 25.52% of equity shares in SEPC Limited.

The necessary details for the Related Party Transactions as applicable along with the justification are provided to the Audit Committee in terms of the Company's Policy on Related

Party Transactions and as required under SEBI Circular dated 22nd November, 2021. During the financial year 2023-24, the Company intended to avail loans from its Promoter i.e., Mark AB Capital Investment LLC and/or its Subsidiaries and/or its affiliates, from time to time. The Board anticipates that during the financial year ending on March 31, 2024, the quantum of such loans will cross the materiality threshold of 10% of the annual consolidated turnover of the Company in terms of the Company's Policy on Related Party Transactions, such loans being material related party transactions require shareholders' approval by way of an Ordinary Resolution.

As per Regulation 23 of LODR Regulations, the proposed borrowing i.e., Unsecured Fund & Non-Fund based Loan and External Commercial Borrowing (ECB) upto Rs. 250 Crores, (Rupees Two Hundred and Fifty Crores only) by the Company from Mark AB Capital Investment LLC and/or its Subsidiaries and/ or its affiliates, being the Promoter of the Company would help in improving the working capital position of the Company and would be a Related Party Transaction and since the transaction value is expected to exceed materiality threshold prescribed under LODR Regulations applicable to the Company, the same would require approval of the Shareholders.

The other related information as envisaged under the Act and LODR Regulations are furnished on page number 12:

Item no.5

The Board of Directors of the Company in its meeting held on 21st August 2023 decided with infusion of additional equity of up to Rs.50 Crore by way of Rights Issue which necessitate increase of Authorised Share Capital of the Company from Rs. 14,000,000,000 /- (Rupees One Thousand Four Hundred Crores only) divided into 1,400,000,000 (One Hundred and Forty Crore) equity shares of Rs.10/- each (Rupees Ten Only) to Rs. 14,500,000,000 /- (Rupees One Thousand Four Hundred and Fifty Crore only) divided into 1,450,000,000 (One Hundred and Forty Five Crore) Equity Shares of Rs. 10/- each (Rs. Ten only) subject to shareholder's approval.

As per the provisions of Sections 13 & 61 of the Companies Act, 2013, approval of the shareholders is required to be accorded for alteration in the Memorandum of Association and for increasing the Authorised Share Capital of the Company.

Memorandum of Interest

None of the Directors or their relatives or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the aforesaid resolution proposed to be passed as an ordinary resolution.

The Board recommends the resolution set forth in Item no. 5 of the Notice for the approval of the members

Details of Director seeking Re-appointment at the forthcoming Annual General Meeting

Name of the Directors	Mr. Abdulla Mohammad Ibrahim Hassan Abdulla
DIN	09436100
Date of Birth	06/09/1994
Date of First appointment the on Board	24/06/2022
Shareholding in SEPC Limited	NIL
Qualifications	Business administration Cambridge University
Number of Meetings attended during the year	4
Experience and expertise in specific functional area	He is a co-promoter of the Al Otaiba Group of Companies (AOG)
Directorships held in other Companies including listed companies	1. Mark AB Capital Investment India Private limited. 2. Valiance Engineers Private Limited.
Relationship with other Directors / KMPs	NIL
Committee Membership and Chairmanship held in other Companies	NIL

listed entities from which the person has resigned in the past three years

listed entities from which the person has resigned in the past three years : NIL

S.No.	Particulars	Mark AB Capital Investment LLC and/or its Subsidiaries and/or its affiliates
1.	Type, material terms and particulars of the proposed transactions	Availing Unsecured Fund & Non-Fund based Loan and External Commercial Borrowing (ECB)
2.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Mark AB Capital Investment LLC and/or its Subsidiaries and/or its affiliates Nature of relationship as promoter.
3.	Tenure of the proposed transaction (particular tenure shall be specified);	As agreed between the parties
4.	Value of the proposed transaction;	Rs. 250 Crores, (Rupees Two Hundred and Fifty Crores only)
5.	The percentage of the SEPC's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	66.13%
6.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: nature of indebtedness, cost of funds and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not applicable
7.	Justification as to why the RPTs are in the interest of the listed entity	The terms are beneficial to the Company

S.No.	Particulars	Mark AB Capital Investment LLC and/or its Subsidiaries and/or its affiliates
8.	A copy of the valuation or other external party report, if any such report has been relied upon;	The transactions do not contemplate any valuation.
9.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transactions will be made available through the registered e-mail address of the shareholders;	Not applicable
10.	Name of the Director or KMP who is related, if any	None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested financially or otherwise except to the extent of shares held by them, if any, except Mr. Abdulla Mohammad Ibrahim Hassan Abdulla, is deemed to be concerned or interested in the transaction entered/to be entered between this Company with Mark AB Capital Investment LLC and/or its Subsidiaries and/or its affiliates being Mr. Abdulla Mohammad Ibrahim Hassan Abdulla is Director both in SEPC Limited and Mark AB Capital Investment LLC and/or its Subsidiaries and/or its affiliates.
11.	Any other information that may be relevant	NA

The Board is of the view that the above said Loans with the terms proposed to be availed by the Company from the Promoter entities would be beneficial to the Company and therefore recommends the Ordinary Resolution set out in Item No. 4 of the Notice for approval of the Shareholders.

Memorandum of Interest

Apart from the above, none of the other Directors or Key Managerial Personnel, or their relatives are, in any way, are concerned or interested in the resolution except to the extent of shares held by them, if any, as set out at Item No. 4 of the Notice.

By the order of the board

Place: Chennai
Date: 21st August, 2023

T. Sriraman
Company Secretary

Registered Office:
SEPC Limited (Formerly Known as Shriram EPC Limited)
CIN: L74210TN2000PLC045167
10/1, Bascon Futura, 4th Floor, Venkatanarayana Road,
T. Nagar, Chennai – 600 017.
Ph.044-4900 5555
Email: info@sepc.com
Website: <http://www.sepc.in/>

Directors' Report

Dear Shareholder,

Your Directors present the Twenty Third Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31st March, 2023.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Consolidated (12 months)		Standalone (12 months)	
	2022-23	2021-22	2022-23	2021-22
Total Income	39,887.81	34,059.07	39,093.96	31,174.05
Profit before Interest, Depreciation, tax and extra-ordinary items	(4,629.27)	(3,580.07)	(5,271.93)	(2,118.53)
Interest & depreciation	6,654.49	12,151.04	6,653.48	12,143.23
Profit before tax & before extra-ordinary items	(11,283.56)	(15,731.11)	(11,925.42)	(14,261.76)
Provision for taxation	3,021.95	4,278.00	3,021.95	4,278.00
Profit after tax & extra-ordinary items	(490.38)	(26,370.37)	(1,132.24)	(24,901.02)
Balance brought forward from last year	(2,15,105.50)	(1,93,436.12)	(2,14,517.03)	(1,89,616.01)
Profit available for appropriation	(2,15,595.88)	(2,15,105.50)	(2,15,649.27)	(2,14,517.03)

OPERATING RESULTS & PERFORMANCE (STANDALONE)

During the financial year ended March 31, 2023 the company had recorded a total income at ₹39,094 lakhs as against ₹31,174 lakhs in the previous year on a standalone basis. Profit before tax was ₹1,890 lakhs as against a loss of ₹20,623 lakhs during the previous year.

CAPITAL & FINANCE

During the year ended March 31, 2023, pursuant to the approval of Resolution Plan by lenders, Company has received ₹35,000 Lakhs of equity and has allotted 35,00,00,000 equity shares of ₹10 each on preferential basis to Mark AB Capital Investment LLC, Dubai and shall be subject to lock-in for such period as may be prescribed under the ICDR Regulations.

During the Year ended March 31, 2023, pursuant to the Resolution Plan, Company has issued 1,75,00,000 Compulsorily Convertible Debentures(CCD) of ₹100/- each and 1,75,00,000 Non-Convertible Debenture(NCD) of ₹100/- each aggregating to ₹35,000 Lakhs by way of conversion of existing loans of lenders.

The authorized capital of your Company is ₹1,40,000 lakhs and paid-up equity capital of the Company as on date is ₹1,32,152.90 Lakhs - divided into 1,32,15,29,018 equity shares of ₹10/-each.

The shareholding pattern as on 31st March, 2023 is as under:

S.No	Shareholders	% holding
1.	Mark AB Capital Investment LLC – Promoters	26.48
2.	Mark AB Welfare Trust – Promoter Group	4.60
3.	Bankers	40.79
4.	Public & Others	28.13

The total net worth of the Company as at 31st March, 2023 on Standalone basis was ₹1,08,404.21 lakhs

RIGHTS ISSUE

On 27th December 2022, the Board of Directors approved raising funds for the Company by way of issue of securities to the existing equity shareholders of the Company on a rights basis aggregating up to ₹4,990 Lakhs in the ratio of 2 (two) Rights Equity Shares for every 53 (Fifty three) fully paid equity shares aggregating to 4,99,00,000 equity shares of face value of ₹10 each for cash at a price of ₹10/- (including a share premium of ₹NIL) per equity share for an amount aggregating to ₹4,990 Lakhs to the Eligible Equity Shareholders of the Company as on the record date of 29th March, 2023.

Subsequent to the year end the Issue was opened for the Eligible Equity Shareholders from Monday, April 10, 2023 to Monday, April 24, 2023 and the basis of allotment was approved by BSE Limited on April 28, 2023, being the designated Stock Exchange. The Rights Issue committee of the Board allotted 4,99,00,000 Rights equity shares on May 02, 2023 to the Shareholders of the Company and obtained the listing approvals from BSE Limited and NSE on May 03 and 04, 2023 respectively.

DETAILS OF DEPOSITS

The Company has not accepted any Deposits covered under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY

The Company had declared Dividend up to the year 2011-12 and all unclaimed / Unpaid Amounts have been transferred to IEPF Authorities.

Non-Convertible Debentures (NCD) redeemed during the year:

Type of Security	Number	Amount in lakhs
NCD	1,74,990	174.99

BUSINESS HIGHLIGHTS

Your Directors are pleased to state that during the year the company has successfully commissioned / completed 12 projects post implementation of Resolution Plan (RP) approved by the lenders under Jun 7th 2019 RBI Circular on Prudential Framework for Resolution of Stressed Assets.

During the year Company has won orders worth of ₹324 Crores and Company's Order book stood at ₹1,143 crores as at 31st March 2023.

BUSINESS RISK MANAGEMENT

Pursuant to the requirement of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Business Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Risk Management Committee has formulated a robust Business Risk Management (BRM) framework to identify, evaluate, treat and Report business risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The Risk Management Committee monitor and oversee the implementation of Risk Management policy, periodically review and recommend to the Board considering the change in industry dynamics and evolving complexities. It also reviews the appointment, removal and terms of remuneration of Chief Risk Officer.

SUBSIDIARIES

Company has formulated a policy on identification of material subsidiaries in line with regulation 16C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Company does not have any material subsidiaries as on date of this report.

The salient features of subsidiaries mentioned in Form AOC-1 forms part of Annual Report.

SEPC ARABIA COMPANY LIMITED

During March 2023, the Company has obtained Services Investment License to incorporate a 100% subsidiary namely – SEPC Arabia Limited Company, in Saudi Arabia for the purpose of exploiting the market potential in the kingdom of Saudi Arabia as well as strengthen the presence in Gulf Cooperation Council region (GCC) using Company's qualifications and promoter MARK AB experience in that region.

DIVIDEND

During the Financial year, no amount is transferred to reserves. Since the Company has carried forward losses, the Board has decided not to recommend a Dividend.

MEETINGS OF THE BOARD

Meetings of the Board are given in the Corporate Governance Report forming part of this Annual Report.

CHANGE IN THE NATURE OF BUSINESS

During the financial year, there is no change in the nature of business of the Company.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has complied with the applicable provisions of Section 186 of the Act for the financial year ended March 31, 2023.

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 is given in the notes to the Financial Statements.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, is given below:

(I) Conservation of energy:

The Company is making all efforts to conserve energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / upgradation of energy saving devices.

(II) Technology absorption-

The Company uses latest technology and equipments in its business. Further the Company is not engaged in any manufacturing activity.

Earnings in Foreign Currency: **Nil**

Expenditure in Foreign Currency: ₹68.37lakhs

(₹ in lakhs)

Professional & Consultancy Fees	19.29
Material Consumed Erection, Construction & Operation Expenses	32.02
Travelling & Conveyance	4.68
Others	12.38
Total	68.37

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES (REFERRED TO IN SUB SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013)

All transactions with related parties were on arm's length basis and in the ordinary course of business. There was no material related party contract during the year. Form AOC-2 as required under Section 134 (3) (h) of the Act is enclosed to this report.

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

There have been material changes in the financial position of the company between the end of the financial year and the date of this report. The following is a summary of the changes:

- a) The Rights Issue was opened for the Eligible Equity Shareholders from Monday, April 10, 2023 to Monday, April 24, 2023.
- b) The basis of allotment was approved by BSE Limited on April 28, 2023, being the designated Stock Exchange.
- c) The Rights Issue committee of the Board allotted 4,99,00,000 Rights equity shares on May 02, 2023 to the Shareholders of the Company as on the record date fixed for the purpose of Rights Issue.
- d) The listing approvals from BSE Limited and National Stock Exchange of India Limited on May 03, 2023 and May 04, 2023 respectively for the aforesaid Rights Issue.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

In addition to the Internal Controls on Operations, the Board has laid emphasis on adequate internal financial controls to ensure that the financial affairs of the Company are carried out with due diligence. Apart from Internal Audit function which scrutinizes all the financial transactions, there are also processes laid down, leading to CFO/CEO certification to Board on the adequacy of Internal Financial Controls as well as internal controls over financial reporting.

RECLASSIFICATION OF PROMOTER TO PUBLIC

During the year under review, SVL Limited, erstwhile Promoter was reclassified from the promoter category to the public category, in view of its change in management and control pursuant to restructuring of debts under the RBI Circular at 7th June 2019 on "Prudential Framework for Resolution of Stressed Assets". Company has made an application dated October 19, 2022 to the Stock Exchanges under Regulation 31A of the SEBI Listing Regulations seeking reclassification of SVL Limited to public category and the said application was approved by the Stock Exchanges vide letter dated February 02, 2023.

DETAILS OF DIRECTORS APPOINTED / RESIGNED / RETIREMENT

Pursuant to the implementation of Resolution Plan and the investment by Mark AB, the Board of Directors appointed the following additional directors w.e.f. 24th June, 2022.

- 1) Mr. Abdulla Mohammad Ibrahim Hassan Abdulla as an Additional Director
- 2) Mr. N K Suryanarayanan as an Additional Director.
- 3) Dr. R Ravichandran as an Independent Director,
- 4) Dr. Arun Kumar Gopaldaswamy as an Independent Director,

The appointments of the above-mentioned directors were approved by the members of the company vide the 22nd Annual General Meeting held on 19th September, 2022.

The Board of Directors appointed the following as additional Directors during the year:

- 1) Mr. Rajesh Kumar Bansal as Additional (Independent) Director for a period of five (5) years w.e.f 18-01-2023 to 17-01-2028
- 2) Ms. Gayathri Sundaram as Additional (Independent) Director for a period of five (5) years w.e.f 30-01-2023 to 29-01-2028 w.e.f 12th April, 2023,

The above appointments were approved by the shareholders vide Postal Ballot held on 12th April, 2023.

Mr. Abdulla Mohammad Ibrahim Hassan Abdulla (DIN: 09436100) retires by rotation pursuant to Section 152(6) of the Companies Act, 2013 and Article 17.26 of the Articles of Association of the Company at the forth coming Annual General Meeting and being eligible offers himself for re-appointment. In terms of Secretarial Standards on General Meetings (SS-2), the necessary resolution for the re-appointment of Mr. Abdulla Mohammad Ibrahim Hassan Abdulla as a Director of the Company is included in the Notice sent along with the annual report.

RESIGNATION / RETIREMENT OF DIRECTORS

Mr. Kallika Prasad Agarwal, a nominee of Punjab National Bank, ceased to be a Director of the Company w.e.f. 24th June, 2022 pursuant to withdrawal of his nomination by Punjab National Bank.

Consequent to the change of Management the following Directors have resigned with effect from 23rd September 2022:

- 1) Mr. S Bapu (DIN: 02541697), Non-executive Director,
- 2) Mr. K S Sripathi (DIN: 02388109), Non-executive Independent Director
- 3) Ms. Chandra Ramesh (DIN: 00938694), Non-executive Independent Director,

- 4) Mr. Prabhakar Dattatraya Karandikar (DIN: 02142050), Independent Director (Chairperson) of the Company with effect from 22nd September 2022.

The following Directors have retired from E.O.D 19th September 2022 on completion of their tenure :

- 1) Mr. T Shivaraman, Managing Director & CEO, and
- 2) Mr. M Amjat Shariff, Joint Managing Director,

The Board places on record its appreciation towards valuable contribution made by them during their tenure as Directors of the Company.

EVALUATION OF BOARD'S PERFORMANCE

As per the provisions of Section 134(3) (p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee and Risk Management Committee and Stakeholders Relationship Committee. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company. The Board was with the opinion that the independent directors appointed during the year possessed the integrity, expertise and experience (including the proficiency). The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details of familiarization programmes for Independent Directors of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the following link: <http://www.sepc.in/pdf/Policy-on-Familiarisation-Programme.pdf>

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (Act) stating that the Independent Directors of the Company met with the criteria of Independence laid down in Section 149(6) of the Act and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

REMUNERATION POLICY

Pursuant to Section 178(3) of the Companies Act, 2013, the Board on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and other employees and their remuneration. The details of the Remuneration Policy are stated in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b. that the directors had selected such accounting policies as mentioned in Note No: 2. of the Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2023 and of the profit and loss of the Company for the year ended on that date;
- c. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the directors had prepared the annual accounts on a going concern basis;
- e. that 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. that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the company at large. None of the Directors had any pecuniary relationships or transactions vis-à-vis

the Company other than sitting fees and reimbursement of expenses incurred, if any, for attending the Board meetings.

All related party transactions are placed before the audit committee for review and approval as per terms of the Policy for dealing with related parties. The policy on related party transactions as approved by the board is uploaded on the company's website at the following link: <http://www.sepc.in/pdf/Policy-on-Related-Party-Transactions-2022.pdf>

Form AOC-2 in the specified format is enclosed as Annexure - I.

EXPLANATIONS OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMER MADE BY THE STATUTORY AUDITORS AND THE SECRETARIAL AUDITORS IN THEIR REPORT

The explanations/comments made by the Board relating to qualification, reservations or adverse remarks made by the Statutory Auditors and the Secretarial Auditor in their respective reports are furnished below:

BOARDS RESPONSE TO THE QUALIFICATIONS OF STATUTORY AUDITORS

Management Response 1

Against the carried forward loss of Rs. 2,11,013 lakhs, the company has recognised Deferred Tax Asset (DTA) on a carry forward loss of ₹1,28,547 lakhs which results in DTA of ₹ 39,645 lakhs ((March 31, 2021 - ₹ 43,889.00 Lakhs). Considering potential order book as on date, future business prospects in the light of implementation of resolution plan, projects in pipeline etc., the management is confident of adjusting these carry forward losses and reversal of DTA before the expiry of the period for which this benefit is available.

Management Response 2

Contract asset(Non- Current) includes Rs. 7,351.45 lakhs(net of provisions amounting to Rs. 926.98 lakhs) (March 31, 2022, Rs. 3,956.02 lakhs) and Trade receivable (Non-Current) includes an amount of Rs. 575.21 lakhs (net of Provisions amounting to Rs. 82.99 lakhs) from projects which are stalled due to delays in statutory approvals faced by the customer. Considering the ongoing negotiations with the customers', Management is confident of recovering the dues in full.

BOARDS RESPONSE TO THE QUALIFICATIONS SECRETARIAL AUDITOR

1. Due to certain unforeseen circumstances, there was a delay in identifying a person whose knowledge and skills commensurate with the functioning and operations of the Company. Subsequently the fine had been paid as levied by the Stock Exchanges.
2. Due to certain unforeseen circumstances, there was a delay in identifying the persons whose knowledge

and skills commensurate with the functioning and operations of the Company. The said vacancy was filled up subsequently.

3. A resolution plan was under process and the Master Restructuring Agreement was signed on 22-06-2022 for restructuring the Debts of the Company. The loans have been already closed as per the Resolution Plan.
4. The Company had received an email directly from the Nominee Director and considering materiality it has been intimated accordingly. Further, the Company had approached Punjab National bank, who had nominated the said Director. The filing was done, upon getting an official confirmation from PNB.
5. The agenda which was originally scheduled to be passed on 30th May 2022 had been re-scheduled to 24th June 2022 due to change in Management of the entity. Subsequently the fine had been paid as levied by the Stock Exchanges.
6. The delay was due to some technical glitches. Further as informed by the listed entity, no fine had been levied by the Stock Exchanges.
7. The delay was due to technical glitches in the NSE website.
8. The delay was due to the fluid situation prevailed due to change in management as necessitated by the Resolution plan.
9. The funds were received in eight tranches and the monitoring Agency gave a consolidated report. upon receipt of the entire amount, the same has been filed.

DISCLOSURE REQUIREMENTS

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis Report, form part of the Director's Report.

CORPORATE GOVERNANCE

All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of the Listing Regulations. In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Report on Corporate Governance along with a Certificate from the Practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Part E of Schedule V of Sub- Regulation 34(3) of the Listing Regulations is attached to this report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING:

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Business Responsibility and Sustainability Reporting forms a part of this Annual Report (refer pages to)

ANNUAL RETURN

The details forming part of the Annual Return in the prescribed form MGT - 7 as per Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is uploaded on the website of the Company at <http://www.sepc.in/Companies-Act-and-SEBI-Compliances.aspx>

WHISTLE BLOWER POLICY (VIGIL MECHANISM)

Pursuant to Sections 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Vigil Mechanism through a Whistle Blower Policy. The details about the whistle blower policy are provided in the Annual Report Disclosures under Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with Section 129(3) of the Companies Act, 2013 and relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

AUDITORS

M/s. MSKA & Associates, Chartered Accountants (Regn. No. 105047W) had been appointed as Statutory Auditors of the Company as per Section 139 of the Companies Act, 2013 for a period of 5 years from the conclusion of Seventeenth Annual General Meeting till the conclusion of Twenty-second Annual General Meeting, by the members at the Annual General Meeting held on August 24, 2017.

Further, the members at the Annual General Meeting held on 19th September, 2022 re-appointed M/s. MSKA & Associates, Chartered Accountants as the statutory auditors of the Company, for a second term of five consecutive years, from the conclusion of the Twenty-second Annual General Meeting till the conclusion of the Twenty-seventh Annual General Meeting to be held in the year 2027.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 (Act) read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, (Rules) the Company is required to maintain cost accounting records. Further, the cost accounting records maintained by the Company are required to be audited.

M/s GSVK & Co., Cost Accountants (Registration No. of the Firm is 002371) was appointed as Cost Auditor of the company for the financial year 2022-23 on a remuneration of ₹50000/- plus applicable taxes and payment of such out of pocket expenses as approved by the Board of Directors of the Company. In terms of the Act and Rules referred above the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for their ratification.

Accordingly, a resolution seeking member's ratification for the remuneration payable to M/s GSVK & Co., Cost Accountants is included at Item No. 3 of the notice convening the Annual General Meeting.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Ms. Srinidhi Sridharan, of Srinidhi Sridharan & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith.

NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of the Companies Act, 2013, during the year, the Committee was reconstituted by the Board of Directors and the Committee has the following members:

Mrs. Chandra Ramesh	-	Chairperson [#]
Mr. Prabhakar Dattatraya Karandikar	-	Member [*]
Mr. Kodumudi Sambamurthi Sripathi	-	Member [%]
Dr. R Ravichandran	-	Chairman ^{***}
Dr. Arun Kumar Gopaldaswamy	-	Member ^{***}
Mr. Abdulla Mohammad Ibrahim Hassan Abdulla	-	Member ^{***}

[#]Ceased to be Chairperson of the Committee w.e.f 23rd September, 2022

^{*}Ceased to be Member of the Committee w.e.f 22nd September, 2022

[%] Ceased to be Member of the Committee w.e.f 23rd September, 2022

^{***} Reconstituted as Chairman and Members of the committee w.e.f 24th September, 2022

During the year, two meetings of Nomination and Remuneration Committee were held on 24th June, 2022 and 27th December, 2022. The said committee has been empowered and authorized to exercise powers as entrusted under the provisions of Section 178 of the Companies Act, 2013. The

Company had laid out the policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub section 3 of Section 178 of the Companies Act, 2013. Policy on Criteria for Board Nomination and Remuneration is available in the website of the Company under the link <http://www.sepc.in/pdf/Criteria-for-Board-Nomination.pdf>.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is carrying accumulated losses for the last 3 years. However, the Corporate Social Responsibility Committee was formed* based on the net worth of the Company as per the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Policy on Corporate Social Responsibility is available in the website of the Company under the link: <http://www.sepc.in/pdf/Policy-on-Corporate-Social-Responsibility-New.pdf>

*Pursuant to Section 135(9) of the Companies Act, 2013, constitution of the CSR committee is not applicable and accordingly w.e.f 27-12-2022 Corporate Social Responsibility Committee formed, was dispensed.

SECRETARIAL STANDARDS

The Institute of Company Secretaries of India has issued Secretarial Standards (Meetings of the Board and General Meetings) on various aspects of corporate law and practices. The Company has complied.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report, highlighting the business details, is attached and forms part of this report.

PROTECTION OF WOMEN AT WORK PLACE

The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (**ICC**) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

The following is the summary of sexual harassment complaints during the year 2022-23.

No. of complaints received – Nil

No. of complaints disposed off– Not Applicable

PARTICULARS OF EMPLOYEES

The ratio of remuneration of each Director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is provided in the Corporate Governance Report as part of this Annual Report.

DISCLOSURE REQUIREMENTS

The Company complies with all applicable mandatory Secretarial standards issued by the Institute of Company Secretaries of India

None of the Auditors of the Company have reported any fraud as specified under second proviso of Section 143(12) of the Companies Act 2013(including any statutory modification (s) or re-enactment(s) thereof for the time being in force.

The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors and the Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

OTHER CONFIRMATIONS

No application under the Insolvency and Bankruptcy Code, 2016 (IBC) was made on the Company during the year. Further, no proceeding under the IBC was initiated or is pending as at 31st March, 2023. There was no instance of one time settlement with any Bank or Financial Institution.

APPRECIATION & ACKNOWLEDGEMENTS

The Directors wish to thank the bankers for their continued assistance and support. The Directors also wish to thank the Shareholders of the company for their continued support even during these testing period. Further, the Directors also wish to thank the customers and suppliers for their continued cooperation and support. The Directors further wishes to place on record their appreciation to all employees at all levels for their commitment and their contribution.

For and on behalf of the Board

Mr. Abdulla Mohammad Ibrahim Hassan Abdulla

August 10, 2023.
Chennai

(DIN.09436100)
Chairman

TOP 10 EMPLOYEES

As per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 duly amended by the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016

Sl. No.	EmpCode	EmpName	Designation	Annual CTC as on 31/03/2023	Nature of employment, whether contractual or otherwise;	QUALIFICATION	Experience	Date of commencement of employment	Age	Last employment held	The percentage of equity shares held by the employee in the company as per the percentage of equity shares held by the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Rule 5 (2)(iii)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	EPC-1887	R.SRIRAM	EXECUTIVE DIRECTOR	1,12,00,080	On Roll	B.TECH(CIVIL), MS(CM)	26 years	09/11/2014	55 Years 04 Months	MD - Saag RR Infra Ltd	0.0000	NO
2	EPC-2305	N.K.SURYANARAYANAN	MANAGING DIRECTOR AND CEO	72,00,000	Board Member	BE(Mech) with Honours Diploma in Management	42 years	24/09/2022	65 Years 08 Months	MD - Hamon Shirram Cottrell Private Limited	0.0000	NO
3	EPC-1363	R.S.CHANDRASEKHARAN	CHIEF FINANCIAL OFFICER	61,42,560	On Roll	BCOM/FCA/ DIPFR(ACCA-UK)	35 years	06/02/2012	63 Years 07 Months	Corporate Financial Controller - Shasun Pharmaceuticals Ltd	0.0000	NO
4	EPC-349	K.Chinnaraju	PRESIDENT- PROJECTS	60,00,000	Contractual	BEMECH	40 years	22/01/2007	66 Years 01 Months	AGM-Jindal stainless Ltd	0.0000	NO
5	EPC-476	D.ARIVALAGAN	Senior Vice president	58,47,240	Contractual	BE-MECH	45 years	01/07/2005	64 Years 11 Months	General Manager- Shriram PPR Technology P Ltd	0.0036	NO
6	EPC-812	KHADER NAWAZ KHAN	SR.VP AND HEAD-WATER INFRA	55,99,980	On Roll	DCE	30 years	01/02/1995	51 Years 02 Months	Sales Engineer- Haffer Electro Plast Pvt Ltd.	0.0000	NO
7	EPC-1832	R.VENKATARAMANAN	PRESIDENT- ENGINEERING	52,37,340	On Roll	BTECH-CHEMICAL	40 years	18/10/2010	58 Years 06 Months	Manager-Nama Chemicals group,KSA	0.0000	NO
8	KEPC-2240	R.SRIDHARAN	SENIOR VICE PRESIDENT- LEGAL	47,32,980	Contractual	BCOM/ ACS	44 years	01/04/2013	61 Years 11 Months	VP-Company Secretary - Orient Green Power Company Limited	0.0008	NO
9	KEPC-337	G.RAMESH	CHIEF-HUMAN RESOURCE MANAGEMENT	46,41,480	Contractual	BSC/DLM/(BL)	45 years	10/01/2007	65 Years 11 Months	Operations (In-charge) - Universal Group Inds.	0.0005	NO
10	KEPC-2306	K.MURALIKRISHNAN	VICE PRESIDENT- BUSINESS DEVELOPMENT	45,02,338	Contractual	BE(MECH)	35 years	05/11/2012	60 Years 07 Months	Joint General Manager (Mines) - IVRCL Ltd.	0.0000	NO

Form No. AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statements of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

Information in respect of each subsidiary to be presented with Amounts in Rupees

Name of the Subsidiary	Shriram EPC FZE
The date since when Subsidiary was acquired	23.05.2013
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AED
Share capital	33.55
Reserves & surplus	78.18
Total assets	15617.43
Total Liabilities	15505.71
Investments	NA
Turnover	NA
Profit before taxation	640.8147
Provision for taxation	NA
Profit after taxation	640.8147
Proposed Dividend	NA
Percentage of shareholding	100%

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

- Names of subsidiaries which are yet commence operations – SEPC Arabia Company Limited
- Names of subsidiaries which have been liquidated or sold during the year – Nil

Form No. AOC-1

Part B Associates and Joint Ventures

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

Name of Associates or Joint Ventures	SEPC DRS ITPL JV	Shriram EPC Eurotech Environmental Pvt Ltd - JV	Mokul Shriram EPC JV
1. Latest audited Balance Sheet Date	31.03.2023	31.03.2023	31.03.2023
2. Date on which the Associate or Joint Venture was associated or acquired	11.01.2017	08.12.2015	21.12.2011
3. Shares of Associate or Joint Ventures held by the company on the year end :			
i. amount of Investment in Associates or Joint Venture	Nil	Nil	Nil
ii. extent of Holding (in percentage)	100%	100%	50%
4. Description of how there is significant influence	Exercise of significant control over the project		
5. Reason why the associate/Joint venture is not consolidated.	NA	NA	NA
6. Net worth attributable to shareholding as per latest audited Balance Sheet (Rs lakhs)	19.40	42.61	(1,425.04)
7. Profit or Loss for the year (Rs lakhs)	12.73	1.16	(4.13)
i. Considered in Consolidation	YES	YES	YES
ii. Not Considered in Consolidation	NA	NA	NA

1. Names of associates or joint ventures which are yet to commence operations. - NIL

2. Names of associates or joint ventures which have been liquidated or sold during the year - NIL

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 arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Nil

(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) Date of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:

List enclosed

(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements transactions including the value, if any:	
(e) Date(s) of approval by the Board, if any:	
(f) Amount paid as advances, if any:	

NOTE: Form shall be signed by the persons who have signed the Board's report.

For and on behalf of the Board of Directors SEPC Limited
CIN: L74210TN2000PLC045167

Mr. Abdulla Mohammad Ibrahim Hassan Abdulla
(DIN.09436100)

Annexure to AOC-2

(A) List of related parties and description of relationship as identified and certified by the Company:

List of related parties and description of relationship as identified and certified by the Company:

Entities exercising significant influence over the Company

SVL Ltd(upto 23rd September 2022)

Mark A B Investment LLC (effective from 24th September 2022)

Subsidiary

Shriram EPC FZE, Sharjah

Step Down Subsidiary

Shriram EPC Arkan LLC

Subsidiary of Entites exercising significant influence over the Company(upto 23rd September 2022)

Bharat Coal Chemicals Limited (BCCL)

Subsidiary of Entites exercising significant influence over the Company(Effective from 24th September 2022)

Mark AB Capital Investment India Private Limited

Enterprises under the joint control of the Entites exercising significant influence over the Company:

Leitwind Shriram Manufacturing Private Limited(upto 23rd September 2022)

Key management personnel

T.Shivaraman - Managing Director (upto 19th September 2022)

M.Amjad Shariff - Joint Managing Director (upto 19th September 2022)

N K Suryanarayanan- Managing Director (effective from 24th September 2022)

Other enterprises under the control of the key management personnel

Orient Green Power Company Limited (upto 20th September 2022)

Bharath Wind Farm Limited(upto 20th September 2022)

Beta Wind Farm Private Limited(upto 20th September 2022)

Amrit Enviornmental Technologies P Ltd(upto 20th September 2022)

Joint Operations

Larsen & Toubro Limited Shriram EPC JV

Mokul Shriram EPC JV

Shriram EPC Eurotech Environmental Pvt Ltd - JV

SEPC DRS ITPL JV

(B) Details of transactions with related party in the ordinary course of business for the year ended:

Entites exercising significant influence over the Company	2022-23	2021-22
SVL Ltd (upto 23rd September 2022)		
Transfer of Advances / Receivables	7,433.87	2,793.80
Fund Received (Net)		2,454.85
Mark A B Investment LLC (effective from 24th September 2022)		
Amount invested as Equity	35,000.00	-
Subsidiary of Entities' exercising significant influence over the Company(Effective from 24th September 2022)		
MARK AB Capital Investment India Private Limited(Effective from 24th September 2022)	900.00	-
Subsidiary		
Shriram EPC FZE, Sharjah	700.00	
Key Management Personnel (KMP)		
Compensation of key management personnel		
T.Shivaraman(upto 20th September 2022)	119.61	60.40
M.Amjad Shariff(upto 20th September 2022)	79.68	60.15
N K Suryanarayanan(Effective from 24th September 2022)	43.40	-
Other enterprises under the control of the key management personnel		
(a) Orient Green Power Company Limited		
Payments made	-	0.41
(b) Bharath Wind Farm Limited		
Fund Receipts	-	4.11
Joint Operations		
(a) Larsen & Toubro Limited Shriram EPC JV		
Company's share in profit of Integrated Joint Ventures	-	1.48
Company's share in Loss of Integrated Joint Ventures	10.36	-
Funds Received	-	390.77
(b) Shriram EPC Eurotech Environmental Pvt Ltd - JV		
Progressive Billings/ Revenue	121.00	698.18
Expenses reimbursed by the party	-	4.51
(c) SEPC DRS ITPL JV		
Progressive Billings/ Revenue	102.00	1.99
(d) Mokul Shriram EPC JV		
Progressive Billings/ Revenue	-	8,624.17
Cost incurred for Materials and Labour	-	8,624.17
Amount due (to)/from related party as on:		
Advances / (Borrowings):		
MARK AB Capital Investment India Private Limited (Effective from 24th September 2022)	(900.00)	0.00
Leitwind Shriram Manufacturing Private Limited (Net of Provision for Expected Credit Loss of ₹9,141.70 Lakhs (March 31, 2022: ₹9,141.70 Lakhs)	0.00	477.77
Receivables /(Payables):		
Shriram EPC FZE, Sharjah	1,534.82	2,234.82
Amrit Enviornmental Technologies P Ltd	1,966.38	1,966.38
Larsen & Toubro Limited Shriram EPC JV	(0.90)	(0.90)
Mokul Shriram EPC JV	1,669.28	1,669.28

Management Discussion and Analysis

Outlook of Infrastructure Industry: The infrastructure industry in India has experienced significant growth and development in recent years. The government has made it a priority to invest in the infrastructure sector, aiming to spend US\$ 1.4 trillion on infrastructure during 2019-2023. This investment is expected to drive sustainable development and propel India's economic growth.

The infrastructure sector plays a crucial role in the country's overall development, with a focus on areas such as roads, waterways, railways, airports, and ports. There is a significant scope for new mining capacities in iron ore, bauxite, rare minerals and coal and considerable opportunities for future discoveries of sub-surface deposits and continue to provide lucrative business opportunities for steel, zinc, and aluminium producers. The future of mining is underground, not only because metals and minerals close to the surface are increasingly rare, but because underground mines have a significantly lower environmental footprint.

The government's initiatives, such as the National Infrastructure Pipeline (NIP) and the Smart Cities Mission, have further boosted the growth of the sector. The infrastructure industry is also witnessing increased foreign investment and collaboration, particularly with countries like Japan. The outlook for the infrastructure industry in India is positive, with a strong emphasis on sustainable development and improved quality of life for citizens.

The Company is an Engineering, Procurement, and Construction (EPC) end-to-end solutions provider offering multi-disciplinary services and project management solutions. SEPC Limited ("SEPC") is focused on providing turnkey solutions in the following business areas:

1. Infrastructure

- a. Water & Sewer
- b. Road

2. Process and Metallurgy

- a. Process Plants
- b. Steel Plants
- c. Mine Development
- d. Power Plants

1. Infrastructure Water & Sewer

SEPC, as an EPC Player in the last two decades have executed various water and sewerage projects across

India and abroad. SEPC has a high level of Engineering expertise to handle turnkey Engineering projects to deliver complex projects with strict adherence to deadlines and quality standards. The Water and sewer business consists of the following:

- Drinking water projects
- Sewerage Treatment projects
- Rehabilitation projects

Drinking water projects generally consists of identifying water source, constructing treatment plant, laying pipes to carry water from source to treatment plant and to overhead tank and to individual houses.

Sewerage treatment projects typically involves, collection of sewerage from individual houses through pipes, construction of sewerage treatment plant, laying common pipeline to carry the sewerage collected through to nearby water source to discharge the treated sewerage water.

Rehabilitation projects are generally carried out in places where normal sewerage treatment project cannot be carried out. These projects involve using special imported resins pumped into the existing pipeline to form a layer and using mechanical pressure. This solidified resin is pushed in to form as a new pipe over the existing dilapidated pipe. Finally, the old pipe will be removed and sewerage will pass through the newly laid resin based pipes.

Road

SEPC has experience of laying road for Ministry of Road Transport & Highways (MORTH) and using this qualification SEPC proposes to bid for new projects and augment the sub business vertical.

2. Process and Metallurgy

Steel Plants

SEPC has domain knowledge and good customer base for having executed various projects in Integrated steel plants in areas like Construction of Special Bar mills, Sinter plants, Wire Rod mill, medium structural mills, hot strip mills, Coke oven, Coal chemical plants, Coal dust injection system, air and oxygen turbo compressor, raw material handling systems, secondary refining units etc. and have qualification to participate in this segment along with technology provider. SEPC has also completed

the balance of plant and main equipment erection for a 1.2 MTPA steel plant in Oman.

Mine Development

SEPC has done mine development project using the advanced Shaft Sinking technology for mine development and qualified to do several types of mining and various minerals like copper, gold, coal, chrome, manganese, uranium etc.

Power Plants

SEPC has executed various types of Power projects like conventional thermal power plant, Wind mill based power plant, Bio mass based power plant etc.

Process Plants

Construction of process plants on turnkey basis is under the sub business vertical of Specialised Industrial EPC segment. SEPC has done complete projects for cement, Coal handling, Coal gasification, Cattle feed plants etc. and have qualification to participate in this segment along with technology provider on consortium basis.

We have more than two decades of experience in this field having executed projects in diversified sectors for various companies as displayed below:

Sector	Clients
Water	Tamil Nadu Water Supply Board, Chennai Metro Water Supply & Sewerage Board, Kerala Water Authority, Gujarat Water Supply and Sewerage Board, Drinking Water & Sanitation Department.

Process & Metallurgy Steel Authority of India – Rourkela, Bokaro, Bhilai, Vizag, Durgapur, ISP, Moon Iron and Steel, Oman

Mine Development-- Hutti Gold Mines

Thermal Power --Suryadev Alloys, OPG Ltd, Birla White Cements

Market Size: India's infrastructure expenditure is estimated to reach US\$ 1.4 trillion through the National Infrastructure Pipeline (NIP) in the next five years. The infrastructure sector's capital expenditure is expected to grow at a compound annual growth rate (CAGR) of 11.4% from FY21-26, driven by investments in water supply, transport, and urban infrastructure. Various government flagship programs, such as the Har Ghar Jal program, Clean Ganga Mission, and Smart City Mission, provide significant market opportunities for companies in the infrastructure sector. Additionally, investments in sectors

like steel, mining, roads, and renewable energy present lucrative business prospects. The government's focus on making India self-reliant and achieving a US\$ 5 trillion economy by 2025 further supports the growth potential of the infrastructure industry.

Company Overview: SEPC Limited is an Engineering, Procurement, and Construction (EPC) company headquartered in Chennai, Tamil Nadu. The company offers end-to-end solutions and specializes in executing turnkey contracts in various sectors, including infrastructure, water & sewer, road, process plants, metallurgy, steel plants, mine development, and power plants. SEPC has a strong track record of executing projects for government and private clients in sectors such as water, process, metallurgy, thermal power, and mining. SEPC has experienced management team and technical proficiency in providing cost-effective engineering solutions. The company's expertise, strong management team, and focus on high-potential sectors provide it with growth opportunities in the domestic and international markets.

SWOT Analysis:

Strengths:

- 1. Technical Proficiency:** SEPC has expertise in providing high-end designing and engineering solutions, which has helped the company establish a niche for itself in the market.
- 2. Well-established in high-potential sectors:** The company has a proven track record in executing projects in sectors like water, process, metallurgy, mines, and power plants, which offer significant growth opportunities.
- 3. Skilled Management:** SEPC has a strong management team with rich experience, supported by an effective board of directors.

Weaknesses:

- 1. Business Cycle Dependence:** SEPC's business performance is influenced by the overall business environment and economic conditions, making it vulnerable to economic slowdowns.
- 2. Financial Position:** The company's financial strength is impacted by external factors, and periodic support from promoters has been necessary to sustain operations.

Opportunities:

- 1. Domestic Market:** The government's infrastructure initiatives and flagship programs provide significant

opportunities for SEPC in areas like water, roads, steel, mining, power, and renewable energy.

- 2. International Markets:** SEPC's exclusive arrangement with INCO Engineering SRO Czech Republic and the establishment of a subsidiary in Saudi Arabia open doors for international expansion in sectors like oil and gas, water, process plants, etc.

Threats:

Regulatory and Political Risk: SEPC operates in a dynamic business environment where sudden policy changes or regulatory withdrawals can impact the company's operations and profitability.

Internal control systems and their adequacy.

The company has a strong internal control system in place, including an independent internal audit function and well-established risk management processes. The internal auditor reports directly to the Chairman of the Audit Committee, ensuring independence. The audit committee reviews the adequacy of controls, considering the size of the business. The company believes in fostering a culture of controls, accountability, and ethical behaviour among all employees. The overall aim of the internal control framework is to ensure effective operations aligned with strategic goals, as well as accurate and timely financial reporting and management information.

Financial Performance:

SEPC's financial performance has shown improvement in FY 2022-23, driven by increased revenue, reduction in interest costs, and the implementation of the RP.

In FY 2022-23, SEPC recorded a 15% increase in consolidated revenue compared to the previous year. Gross margin improved from 14% to 20%, and EBITDA increased to Rs. 9,186.06 lakhs from a loss of Rs. 9,941.33 lakhs in the previous year. The implementation of the Resolution Plan (RP) resulted in a reduction in interest costs, contributing to improved financial

performance. Profit before tax (PBT) was positive at Rs. 2,531.57 lakhs, compared to a loss of Rs. 22,092.37 lakhs in the previous year. The company's financial position improved with the infusion of fresh equity and conversion of debt into NCD/CCDs as part of the RP.

Human Resources and Industrial Relations: SEPC had a manpower strength of 251 employees as of March 31, 2023. The company maintains a conducive and safe working environment, provides continuous learning opportunities, and emphasizes training and skill development programs. The company has a good track record in industrial relations, with no significant issues reported. The employees support the company's management efforts, resulting in a low level of attrition.

Key Financial Ratios: Several key financial ratios have shown improvement compared to the previous financial year:

1. Debtors Turnover: Increased turnover and reduction in debtors led to a 28% increase in the debtors' turnover ratio.
2. Current Ratio: The current ratio improved by 122% due to the reduction in current liabilities following the implementation of the RP.
3. Debt Equity Ratio: The debt equity ratio improved by 71% due to the infusion of fresh equity and conversion of debt into NCD/CCDs.
4. Return on Net Worth: The return on net worth improved from negative to positive due to increased operations and infusion of fresh equity.
5. Interest coverage ratio: The interest coverage ratio has been improved from (0.78) times to 1.37 times from 2021-22 to 2022-23.
6. Operating profit margin: The operating profit margin has been improved from 14% in 2021-22 to 20% in 2022-23.
7. Inventory Turnover for 2022-23 it is 1 compared to 0.9 in 2021-22.
8. Net Profit Margin for 2022-23 it is 0.05 compared to -0.68 in 2021-22

Corporate Governance Report

[Pursuant to Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Company's philosophy on Corporate Governance

The Company has consistently aimed at developing a formalised system of Corporate Governance. We believe that it is imperative and non-negotiable for a world class Company to adopt transparent accounting policies, appropriate disclosure norms, best-in-class board practices and consistent high standards of corporate conduct towards its stakeholders.

The Company adopts practices mandated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "SEBI Listing Regulations") under Corporate Governance and by establishing procedures and systems to be fully compliant with it. Periodic review of the procedures and systems are done in order to ensure continued relevance, effectiveness and responsiveness to the needs of the Shareholders.

SEPC is committed with the core values of integrity, passion, responsibility, quality and respect in dealing with all stakeholders of the Company.

The Company discloses information regarding its financial position, performance and other vital matters with transparency, fairness and accountability on timely basis and the Company is in compliance with the requirements stipulated under SEBI Listing Regulations with regard to the Corporate Governance, applicable for the financial year 2022 - 23. In compliance with the disclosure requirements of Regulation 34 of the SEBI Listing Regulations, the details are set out below:

BOARD OF DIRECTORS

The Board is entrusted and empowered to oversee the management, direction and performance of the Company with a view to protect interest of the stakeholders and enhance value for shareholders.

Composition of Board

As at 31st March, 2023 the Board comprises of six directors out of which there is one (1) Managing Director & CEO. Out of the five Non-Executive Directors, four (4) including one-woman director are independent Directors and one (1) non-independent director.

As on 31st March, 2023 and as on date of this Report, the Company is in compliance with Regulations 17(1)(a) and 17(1) (b) of the SEBI Listing Regulations pertaining to composition of the Board of Directors. The Company is also in compliance

with the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations.

The Company has an appropriate size of the Board for strategic discussion and avails benefit of diverse experience and viewpoints. The Board comprises of qualified members to bring in the required skills, competence and expertise that allow them to make effective contributions to the board and its committees. The composition of Board is in conformity with Regulation 17 of SEBI Listing Regulations.

As on 31st March, 2023 composition of Board is as follows:

Mr. Abdulla Mohammad Ibrahim Hassan Abdulla	-	Non Executive – Non Independent, Chairperson related to Promoter
Mr. N K Suryanarayanan	-	Managing Director & CEO
Dr. R Ravichandran	-	Non Executive - Independent Director
Dr. Arun Kumar Gopaldaswamy	-	Non Executive - Independent Director
Mr. Rajesh Kumar Bansal	-	Non Executive - Independent Director
Ms. Gayathri Sundaram	-	Non Executive - Independent Director

Changes in Composition of Board during the year:

(1) Appointment:

The Board pursuant to the recommendations of Nomination and Remuneration Committee appointed the following Directors at its meeting held on 24th June, 2022, subject to the approval of Members of the company, on account of the restructuring process as per the resolution plan approved by the consortium of Lenders of the Company as per the Prudential Framework for Resolution of Stressed Assets by Reserve Bank of India Circular dated June 7, 2019 (hereinafter referred as "Resolution Plan").

Mr. Abdulla Mohammad Ibrahim Hassan Abdulla	-	Additional (Non-Executive) Director
Mr. N K Suryanarayanan	-	Additional (Non-Executive) Director
Dr. R Ravichandran	-	Additional (Independent) Director
Dr. Arun Kumar Gopaldaswamy	-	Additional (Independent) Director

Consequently at the 22nd Annual General Meeting the company held on 19th September, 2022, the shareholders

of the company approved the appointment of the aforesaid directors.

Further, the Board at its meeting held on 24th September, 2022 re-designated Mr. N K Suryanarayanan (DIN: 01714066) as Managing Director and Chief Executive Officer w.e.f 24th September, 2022, subject to the approval of Members of the company. Subsequently, the members of the company vide Postal Ballot dated 22nd December, 2022 approved his re-designation.

Further, the Board pursuant to the recommendations of Nomination and Remuneration Committee appointed Mr. Rajesh Kumar Bansal (DIN: 09634747) and Ms. S Gayathri (DIN: 09634747) as Additional (Independent) Directors on 18th January, 2023 and 30th January, 2023 respectively, subject to the approval of Members of the company. Subsequently, the members of the company vide Postal Ballot dated 12th April, 2023 approved their appointment.

(2) Retirement:

Consequent to the withdrawal of Nomination by Punjab National Bank, Mr. Kallika Prasad Agarwal (DIN: 08577405) ceased to be Non Executive – Nominee director w.e.f 23rd June, 2022.

Consequent to the completion of their respective terms, Mr. T Shivaraman (DIN: 01312018), Managing Director & CEO and Mr. M Amjat Shariff (DIN: 00009562), Joint Managing Director, retired from the Board on the close of business hours of 19th September, 2022.

(3) Resignation:

Mr. P D Karandikar (DIN: 01312018) resigned from the position of Non Executive – Independent Chairman w.e.f 22nd September, 2022 on account of his advanced age and other personal reasons.

Ms. Chandra Ramesh (DIN: 00938694) and Mr. K S Sripathi (DIN: 02388109), Non Executive – Independent Directors and Mr. S Babu (DIN: 02541697) Non Executive – Non – Independent Director resigned from their positions on account of the restructuring process as per the resolution plan on 23rd September, 2022. The directors have further confirmed that there are no other material reasons or grounds for their resignations other than as provided above.

Information provided to the Board

Among others, information shared to the Board includes:

a) Annual operating plans of businesses and budgets and any updates thereof;

- b) Capital budgets and any updates thereof;
- c) Quarterly results for the Company and business segments;
- d) Minutes of the meetings of the Audit Committee, other Committees of the Board and minutes of meetings of Subsidiary Companies, if any;
- e) The information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary;
- f) Show cause, demand, prosecution notices and penalty notices, which are materially important;
- g) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- h) Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- i) Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- j) Making of loans and investment of surplus funds;
- k) General notices of interests of Directors;
- l) Constitution/Reconstitution of Board Committees;
- m) Appointment, remuneration and resignation of Directors;
- n) Dividend declaration;
- o) Significant changes in accounting policies and internal controls;
- p) Details of any joint venture or collaboration agreements;
- q) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- r) Significant labour problems and their proposed solutions, any significant development on human resources, industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.;
- s) Sale of investments, subsidiaries, assets, if any, which are material in nature and not in normal course of business.
- t) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;

- u) Non-compliance of any regulatory, statutory nature or listing regulations and shareholders' service, such as non-payment of dividend, delay in share transfer, if any, and others;
- v) Declaration of Independent Directors at the time of appointment / annual declaration;
- w) Takeover of a Company or acquisition of a controlling of a substantial stake in another Company;
- x) Appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee;
- y) Annual financial results of the Company, Auditors 'Report and the Report of the Board of Directors;
- z) Compliance Certificates for all the laws as applicable to the Company; and
- aa) CSR activities carried out by the Company and expenditure made there on as and when applicable.

The Board of Directors of the Company is presented with detailed notes, along with the agenda papers, well in advance of the meeting. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted with the permission of the Chairman and unanimous consent of the directors present in the meeting. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management. The Board Meetings are conducted with sufficient focus on

important matters and views of all directors are considered before taking a decision. The Board composition has the right mix of knowledge and skills required to drive organizational performance. Meetings are scheduled with adequate notice and are conducted as per defined schedules. The Board meetings are adequate and directors are provided opportunity to suggest agenda items for the Board/Committees, allowing appropriate time for critical issues. The Board prioritizes organizational needs. The Board provides feedback to management. The Board members are aware of their Roles, duties, responsibilities, liabilities and powers. The materials sufficiently cover the subject and are sent adequately in advance to allow Board to understand the information. The Board is effective in establishing a corporate governance that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations. The internal control systems are effective for identifying material risks and reporting material violations of policies. The Board has the desired diversity in terms of expertise and knowledge, gender etc. to discharge its responsibilities. The minutes adequately capture the Board deliberations and directions and are circulated to the directors well in advance for their review. The management periodically updates the Board on the action taken on the directions given by the Board.

Key Managerial Personnel

Mr. N K Suryanarayanan, MD & CEO, Mr. R S Chandrasekharan, Chief Financial Officer (CFO) and Mr. T. Sriraman, Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company.

Board meeting attendance

Members	No. of Meetings held	No. of Meetings Attended	Present at Previous AGM
Mr. Abdulla Mohammad Ibrahim Hassan	7	4	No
Mr. N K Suryanarayanan	7	6	Yes
Dr. R Ravichandran	7	6	Yes
Dr. Arun Kumar Gopaldaswamy	7	6	No
Mr. Rajesh Kumar Bansal	7	1	NA
Ms. Gayathri Sundaram	7	1	NA
Mr. T Shivaraman [@] - Managing Director & CEO	7	3	Yes
Mr. M Amjat Shariff [@] - Joint Managing Director	7	3	Yes
Mr. P D Karandikar ^{^^} - Non Executive - Independent	7	3	Yes
Ms. Chandra Ramesh [§] - Non Executive - Independent	7	3	Yes
Mr. K S Sripathi [§] - Non Executive - Independent	7	3	Yes
Mr. S Babu [§] - Non Executive – Non Independent	7	3	Yes

^ Re-designated as Managing Director & CEO w.e.f 24th September, 2022

@ Retired w.e.f 19th September, 2022

\$ Resigned w.e.f 23rd September, 2022

^^Resigned w.e.f 22nd September, 2022

The composition of the Board and the number of other directorships held by each of the Directors is given in the table below:

Name of Director	Position	Directorship including Private Limited Companies	Name of the listed entity and category of Directorship	++Committees	
				Member	Chairman
Mr. Abdulla Mohammad Ibrahim Hassan Abdulla	Non-executive Non-Independent Director	3	1. SEPC Limited – Non-Executive Non-Independent Director	0	0
Mr. N K Suryanarayanan	Managing Director & CEO	1	SEPC Limited – Managing Director & CEO	2	0
Dr. R Ravichandran	Independent Director	2	SEPC Limited – Non-Executive Independent Director	2	1
Dr. Arun Kumar Gopalswamy	Independent Director	1	SEPC Limited – Non-Executive Independent Director	2	1
Mr. Rajesh Kumar Bansal	Independent Director	1	SEPC Limited – Non-Executive Independent Director	0	0
Ms. Gayathri Sundaram	Independent Director	1	1. SEPC Limited – Non-Executive Independent Director	2	0
Mr. P D Karandikar^^	Non – Executive & Independent Chairman	3^^	1. SEPC Limited – Non-Executive Independent Director	2	1
Mr. T. Shivaraman@	Executive - Managing Director & CEO	3@	1. Orient Green Power Company Limited – Managing Director & CEO 2. SEPC Limited – Managing Director & CEO	1	0
Mr. M Amjat Shariff@@	Executive – Joint Managing Director	2@@	1. SEPC Limited – Joint Managing Director	0	0
Mr. S Bapu**	Non-Executive & Non - Independent Director	1**	1. SEPC Limited – Non-Executive Non-Independent	1	0
Ms. Chandra Ramesh\$	Non-Executive & Independent Director	5\$	1. Orient Green Power Company Limited – Non-Executive Independent Director 2. SEPC Limited – Non-Executive Independent Director	2	0

Name of Director	Position	Directorship including Private Limited Companies	Name of the listed entity and category of Directorship	++Committees	
				Member	Chairman
Mr. K S Sripathi\$\$\$	Non – Executive & Independent Director	3\$\$	1. Trigyn Technologies Limited – Non-Executive Independent Director 2. SEPC Limited – Non-Executive Independent Director 3. Orient Green Power Company Limited – Non-Executive Independent Director	2	1
Mr. K P Agarwal\$\$\$	Nominee Director	0	1. SEPC Limited – Nominee Director	0	0

@Retired w.e.f 19th September, 2022 & Directorships as on 19th September, 2022.

@@Retired w.e.f 19th September, 2022 & Directorships as on 19th September, 2022.

**Resigned w.e.f 23rd September, 2022 & Directorships as on 23rd September, 2022.

\$Resigned w.e.f. 23rd September, 2022 & Directorships as on 23rd September, 2022

\$\$Resigned w.e.f. 23rd September, 2022

\$\$\$Nomination withdrawn w.e.f. 23rd June, 2022

++Only membership in the Audit Committee and Stakeholders Relationship Committee of public companies.

Inter-se relationship between Directors - Nil

Other Directorships do not include alternate directorships, Section 8 of Companies Act, 2013 and of companies incorporated outside India.

Meeting of Board of Directors

During the year 2022-23, 7(seven) meetings of the Board of Directors, were held on 30th May, 2022, 24th June, 2022, 13th August, 2022, 24th September, 2022, 14th November, 2022, 27th December, 2022 and 09th February, 2023.

The maximum time gap between any two consecutive meetings did not exceed 120 days.

Number of shares and convertible instruments held by Non-Executive Directors

None of the Non-Executive Directors except Dr. Arun Kumar Gopalaswamy (500 Equity Shares) hold any equity shares of the Company.

Familiarisation programme of Independent Directors

The Independent Directors of SEPC are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

Independent Directors are appointed as per the Governance guidelines of the Company, with management expertise and wide range of experience. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations. The new Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website <http://www.sepc.in/> to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made by Senior Management at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the directors.

The details of the Familiarisation Programme are placed on the website of the Company at <http://www.sepc.in/pdf/Policy-on-Familiarisation-Programme.pdf>

Key Board qualifications, expertise and attributes

The Board members are committed in ensuring that the Board of Directors acts in compliance with the highest standard of Corporate Governance. In the table below the specific areas of focus or expertise of individual Board members have been highlighted. In the absence of a mark against a member's name does not necessarily mean that the member does not possess the corresponding qualification or skill. A chart setting out the skills/expertise/competence of the Board of Directors is as follows:

Name of Director	Skills/expertise/competencies					
	Strategy, planning & policy development	Information technology	Governance, risk & Compliance	Financial	Public policy	Infrastructure
Mr. Abdulla Mohammad Ibrahim Hassan Abdulla	✓	✓	✓	✓	✓	✓
Mr. N K Suryanarayanan	✓	✓	✓	✓	✓	✓
Dr. R. Ravichandran	✓	✓	✓	✓	✓	✓
Dr. Arun Kumar Gopaldaswamy	✓	✓	✓	✓	✓	✓
Mr. Rajesh Kumar Bansal	✓	✓	✓	✓	✓	✓
Ms. Gayathri Sundaram	✓	✓	✓	✓	✓	✓

Declaration by Independent Directors

The Company has received necessary declarations from each independent director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) and 25 of the SEBI Listing Regulations. The Board confirms that, in its opinion, the independent directors fulfill the conditions as specified and they are independent of the management.

Performance evaluation of Independent Directors

The Board evaluated the performance of Independent Directors based on their commitment towards attending the meetings of the Board/ Committees, contribution and attention to the affairs of the Company and their overall performance. The evaluation process of Independent Directors is detailed below:

Evaluation Process

In conformity with the requirement of the Act, the performance evaluation of all the Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated. Further, Independent Directors are required to evaluate the performance of non – Independent Directors and Board as a whole. A separate meeting of the Independent Directors for the financial year 2022-23 was held on 28th March 2023. To enable directors to evaluate their individual performance as well as the collective performance of the Board and Chairperson, the Company has developed a framework for evaluating Board's effectiveness, directors' and Chairperson's performance.

Audit Committee

The Company complies with Section 177 of the Companies Act, 2013 as well as requirements under the Regulation

18 read with Part C of Schedule II of the SEBI Listing Regulations, pertaining to the Audit Committee. Its functioning is as under:

A. Composition of the Committee

The Audit Committee presently consists of three Directors Two Non- Executive Independent Directors and One Executive Director, Dr. Ravichandran Rajagopalan, is the Chairman, Dr Arun Kumar Gopaldaswamy and Mr. N K Suryanarayanan are members of the Committee. All members of the Committee are financially literate and having the requisite financial management expertise; The Chairman of the Audit Committee is an Independent Director;

B. Meeting of Audit Committee

During the year, the Audit Committee had met Ten (10) times on 30th May, 2022, 24th June, 2022, 13th August, 2022, 22nd August, 2022, 07th September, 2022, 16th September, 2022, 24th September, 2022, 14th November, 2022, 02nd Feb, 2023 and 09th February, 2023 and not more than one hundred and twenty days elapsed between two meetings.

C. The role of the Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of subsection 3 of section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Risk Management- To evaluate the Risk Management System including Risk Policy, Risk Process (Risk Identification, Assessment, Mitigation and Monitoring) and Risk Registers, laid down by the management;
19. To review the functioning of the Whistle Blower mechanism;
20. Approval of appointment of CFO (i.e., the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
22. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
23. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
24. investigate any activity within its terms of reference.
25. To seek information from any employee.

26. To obtain outside legal or other professional advice.
27. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee had been reconstituted during the year in the meeting of Board of Directors held on 24th September, 2022 the details of the same and number of meetings attended by the Members during the year are given below:

Members	No. of Meetings held	No. of Meetings Attended
Dr. R Ravichandran – Chairman***	10	4
Dr. Arun Kumar Gopaldaswamy – Member***	10	4
Mr. N K Suryanarayanan – Member***	10	4
Mr. P D Karandikar – Chairman*	10	3
Mr. S Bapu – Member**	10	6
Ms. Chandra Ramesh – Member**	10	6
Mr. K S Sripathi – Member**	10	6

*Ceased w.e.f 22nd September, 2022

**Ceased w.e.f 23rd September, 2022

*** Appointed w.e.f 24th September, 2022

Mr. T. Sriraman, Company Secretary, is the Secretary of the Audit Committee.

The erstwhile Chairman of the Audit Committee Mr. P D Karandikar was present at the last Annual General Meeting held on 19th September, 2022.

Nomination and Remuneration Committee

A. Constitution

The Nomination and Remuneration Committee of the Board has been constituted as per the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

The Nomination and Remuneration Committee has been reconstituted during the year and now comprises of Dr. R Ravichandran as Chairman, Dr. Arun Kumar Gopaldaswamy & Mr. Abdulla Mohammad Ibrahim Hassan Abdulla, as members of the Committee.

The Chairperson of the committee was present at the Annual General Meeting.

B. Terms of reference

Terms of reference of the Nomination and Remuneration Committee includes:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity; and
5. Identifying person who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.

Meetings and attendance during the year: During the year, two meetings of Nomination and Remuneration Committee were held on 24th June, 2022 and 27th December, 2022.

The Nomination and Remuneration Committee has been reconstituted during the year at the meeting of Board of Directors held on 24th September, 2022 the details of the same and number of meetings attended by the Members during the year are given below:

Members	No. of Meetings held	No. of Meetings Attended
Dr. R Ravichandran – Chairman***	2	1
Dr. Arun Kumar Gopaldaswamy – Member***	2	1
Mr. Abdulla Mohammad Ibrahim Hassan Abdulla – Member***	2	1
Mrs. Chandra Ramesh-Chairperson**	2	1
Mr. Prabhakar Dattatraya Karandikar - Member*	2	1
Mr. Kodumudi Sambamurthi Sripathi – Member**	2	1

**Resigned w.e.f 23rd September, 2022

*Resigned w.e.f 22nd September, 2022

*** Appointed w.e.f 24th September, 2022

C. Remuneration policy

The Remuneration policy is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives. The Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

D. Remuneration to Executive Directors

Details of Remuneration	Amount (Rs. in Lakhs)		
	Mr. T Shivaraman (MD&CEO)*	Mr. Amjat Shariff (JMD)*	Mr. N K Suryanarayanan, (MD & CEO)**
Salary	29.07	29.07	43.40
Allowances and Perquisites	-	-	-
Number of Shares held	285,685	282,974	0

* Retired on 19th September, 2022

** Re-designated as the (MD & CEO) of the Company w.e.f 24th September, 2022

PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows: -

- (a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Non-Executive Directors Ratio to Median Remuneration (Including erstwhile directors)

Mr. P D Karandikar - 0.21
 Mr. S Babu - 0.42
 Ms. Chandra Ramesh - 0.32
 Mr. K S Sripathi - 0.46
 Dr. R. Ravichandran - 0.39
 Dr. Arun Kumar Gopaldaswamy - 0.47
 Mr. Rajesh Kumar Bansal - 0.03
 Ms. Gayathri Sundaram - 0.03

Executive Directors (Including erstwhile directors)

Mr. T Shivaraman - 5.94
 Mr. Amjat Shariff - 5.94
 Mr. N K Suryanarayanan - 9.83

- (b) the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Name of person % increase to remuneration (Including erstwhile directors)

Mr. P D Karandikar - Nil
 Mr. S Babu - Nil
 Ms. Chandra Ramesh - Nil
 Mr. K P Agarwal - Nil
 Mr. K S Sripathi - Nil
 Mr. T Shivaraman, MD & CEO - Nil
 Mr. Amjat Shariff, JMD - Nil
 Mr. Abdulla Mohammad Ibrahim Hassan Abdulla - Nil
 Mr. N K Suryanarayanan - Nil
 Dr. R. Ravichandran - Nil
 Dr. Arun Kumar Gopaldaswamy - Nil
 Mr. Rajesh Kumar Bansal - Nil
 Ms. Gayathri Sundaram - Nil
 Mr. R.S. Chandrasekharan, CFO - Nil
 Mr. T. Sriraman, Company Secretary & Compliance Officer - Nil

- (c) the median remuneration of employees in the financial year 2022-23 was Rs. 489,190 compared to Rs. 490,690 for 2021 - 22.

- (d) the number of permanent employees on the rolls of company 251

- (e) Remuneration to Non-Executive Directors

Remuneration by way of Sitting Fees is paid to Directors at Rs.15,000/- for attending each Meeting of the Board and Rs. 10,000/- for attending each Committee Meetings i.e. for Audit Committee, Stake holder's relationship committee, Nomination & Remuneration Committee, Risk Management Committee, Borrowing Committee and Allotment Committee.

*** The Company affirms that the remuneration is in compliance with its Remuneration policy.

TOP 10 EMPLOYEES Refer Annexure

Payment of sitting fee to the Non-Executive Directors for the year ended 31st March, 2023 is as under:

Names of Directors	Sitting fees paid for Board and Committee Meetings (Rs.)	
	Board	Committee
Mr. N K Suryanarayanan ^{^^}	15,000	-
Dr. Ravichandran Rajagopalan ^{***}	90,000	90,000
Dr. Arun Kumar Gopaldaswamy ^{***}	90,000	1,40,000
Mr. Rajesh Kumar Bansal [^]	15,000	NA
Ms. Gayathri Sundaram ^{^^}	15,000	NA
Mr. P D Karandikar [*]	45,000	60,000
Mr. S Bapu ^{**}	45,000	1,30,000
Ms. Chandra Ramesh ^{**}	45,000	1,10,000
Mr. K S Sripathi ^{**}	45,000	1,50,000
Total	3,90,000	6,80,000

^{^^}Sitting fees details prior to re-designation as MD & CEO

^{**}Resigned w.e.f 23rd September, 2022

^{*}Resigned w.e.f 22nd September, 2022

^{***}Appointed w.e.f 24th September, 2022

[^]Appointed w.e.f 18th January, 2023

^{^^}Appointed w.e.f 30th January, 2023

- There has been no pecuniary relationship or transactions other than above of the Non-Executive Directors vis-à-vis the Company during the year under review. Given below is the list of skills, expertise, competencies of the Individual Directors on the board
- Criteria of making payments to non-executive directors is disseminated on the website in <http://www.sepc.in/pdf/Policy-on-criteria-of-making-payments-to-Non-Executive-Directors.pdf>.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee is constituted in accordance with Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(A) Composition, Members, its meetings and attendance

Stakeholders Relationship Committee comprises of Dr. Arun Kumar Gopaldaswamy as Chairman with Dr. R Ravichandran and Mr. N K Suryanarayanan as members of the Committee.

The Chairperson of the committee was present at the Annual General Meeting.

During the year, 4 (four) meetings of the Stakeholders Relationship Committee were held on 30th May, 2022, 13th August, 2022, 14th November 2022 and 09th February 2023.

The Stakeholders Relationship Committee been reconstituted during the year at the meeting of Board of Directors held on 24th September, 2022. The details of the same and number of meetings attended by the Members during the year are given below:

Members	No. of Meetings held	No. of Meetings Attended
Dr. Arun Kumar Gopaldaswamy – Chairman ^{***}	4	2
Dr. R Ravichandran – Member ^{***}	4	2
Mr. N K Suryanarayanan – Member ^{***}	4	2
Mr. K S Sripathi – Chairman ^{**}	4	2
Mr. P D Karandikar– Member [*]	4	2
Ms. Chandra Ramesh– Member ^{**}	4	2

^{***}Appointed w.e.f 24th September, 2022

^{**}Ceased w.e.f 23rd September, 2022

^{*}Ceased w.e.f 22nd September, 2022

(B) Role of the Committee:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Name and Designation of the Compliance Officer

Mr. T Sriraman, Company Secretary had been designated as Compliance Officer of the Company.

He may be contacted at:

SEPC Limited

10/1, Bascon Futura, 4th Floor, Venkatnarayana Road, T. Nagar, Chennai – 600 017, Ph.044-4900 5555 India

Email: tsr@sepc.in, Website: <http://www.sepc.in/>

In addition to the above e-mail of the Compliance Officer, the Investors/Shareholders can also lodge their complaints, if any, at info@sepc.in,

(C) Complaints received and redressed during the year 2022-23

During the year 2022-23, the company had received 1 complaint and the same was resolved. There were no complaints pending for action as at the end of the year.

Pursuant to Regulation 40(9& (10) of the SEBI Listing Regulations, a certificate on yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

Risk Management Committee

(A) Composition, its meetings and attendance

Risk Management Committee comprises of Dr. Arun Kumar Gopaldaswamy as Chairman with Dr. R Ravichandran and Mr. N K Suryanarayanan as members of the Committee.

During the year, 2 (two) meetings of the Risk Management Committee were held on 09th August, 2022 and 02nd February, 2023.

The Risk Management Committee is constituted in accordance with Regulation 21 of the SEBI Listing Regulations. The Committee reviews the risk trend, exposure and potential impact analysis carried out by the management. It ensures that mitigation plans are finalised and made up to date, owners are identified and the progress of mitigation actions are monitored.

The Risk Management Committee had been reconstituted during the year in the meeting of Board of Directors held on 24th September, 2022. The details of the same and number of meetings attended by the Members during the year are given

below:

Members	No. of Meetings held	No. of Meetings Attended
Dr. Arun Kumar Gopaldaswamy – Chairman***	2	1
Dr. R Ravichandran – Member***	2	1
Mr. N K Suryanarayanan – Member***	2	1
Mr. T Shivaraman – Chairman*	2	1
Mr. M Amjat Shariff – Member*	2	0
Mr. S Bapu- Member**	2	1
Ms. Chandra Ramesh– Member**	2	1

*Retired w.e.f 19th September, 2022

**resigned w.e.f 23rd September, 2022

*** Appointed w.e.f 24th September, 2022

Rights Issue Committee

(A) Composition, its meetings and attendance

Rights Issue Committee comprises of Mr. N K Suryanarayanan as Chairman with Dr. R Ravichandran and Dr. Arun Kumar Gopaldaswamy as members of the Committee.

During the year, 5 (five) meetings of the Rights Issue Committee were held on 31st January, 2023, 02nd February, 2023, 07th February, 2023 and twice on 23rd March, 2023.

Members	No. of Meetings held	No. of Meetings Attended
Mr. N K Suryanarayanan – Chairman	5	5
Dr. R Ravichandran – Member	5	2
Dr. Arun Kumar Gopaldaswamy– Member	5	5

Senior Management

Particulars of senior management including the changes therein since the close of the previous financial year

General Body Meetings

(A). Location and time, where last three annual general meetings held

Year	Date	Time	Venue	Special Resolutions Passed
2019-20	23.09.2020	10.00AM	Video Conferencing/ other Audio-visual means	1. Appointment of Ms. Chandra Ramesh (DIN: 00938694) as an Independent Director
2020-21	28.09.2021	10.00AM	Video Conferencing/ other Audio-visual means	1. Re-appointment of Mr. T Shivaraman as Managing Director & CEO Re-appointment of Mr. M Amjat Shariff as Joint Managing Director
2021-22	19.09.2022	03.00 PM	Video Conferencing/ other Audio-visual means	1. Appointment of Dr. Ravichandran Rajagopalan as an Independent Director. 2. Appointment of Dr. Arun Kumar Gopaldaswamy as an Independent Director. 3. To clarify the consent given by the members for the conversion of NCDs issued to the Lenders into equity shares of the company and to give assent for the conversion of loan facilities into equity shares of the company.

(B) Special Resolution passed through postal Ballot:

Year	Date of meeting	Section	Particulars
2022-23	22-12-2022	Sections 196, 197, 203, Schedule V and other applicable provisions of Companies Act, 2013.	Re-designation of Mr. N K Suryanarayanan (DIN: 01714066) Non-Executive Non-Independent Director of the Company as the Managing Director & CEO of the Company and payment of Remuneration thereon.
	12-04-2023	Sections 149, 150, 152, Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder, and Regulations 16(1) (b), 17 & 25 and other relevant applicable regulations of the SEBI Listing Regulations.	Appointment of Mr. Rajesh Kumar Bansal (DIN: 09634747) as an Independent Director of the Company Appointment of Ms. Gayathri Sundaram (DIN: 07342382) as an Independent Director of the Company.

EVOTING DETAILS OF POSTAL BALLOT HELD DURING THE YEAR 2022-23

SPECIAL RESOLUTIONS

Postal ballot date: 22-12-2022

1. Re-designation of Mr. N K Suryanarayanan (DIN: 01714066) Non-Executive Non Independent Director of the Company as the Managing Director & CEO of the Company and payment of Remuneration thereon.

Particulars	No. of Members cast their votes by E-voting	No. of shares (E-Voting)	% on Total Shares (Votes) Received
Assent	126	337229355	99.98
Dissent	19	53249	0.02
Invalid	NIL	NIL	NIL

Postal ballot date: 12-04-2023

1. Appointment of Mr. Rajesh Kumar Bansal (DIN: 09634747) as an Independent Director of the Company.

Particulars	No. of Members cast their votes by E-voting	No. of shares (E-Voting)	% on Total Shares (Votes) Received
Assent	142	184051658	99.9974
Dissent	17	4698	0.0026
Invalid	NIL	NIL	NIL

2. Appointment of Ms. Gayathri Sundaram (DIN: 07342382) as an Independent Director of the Company.

Particulars	No. of Members cast their votes by E-voting	No. of shares (E-Voting)	% on Total Shares (Votes) Received
Assent	143	184051244	99.9978
Dissent	15	4112	0.20022
Invalid	NIL	NIL	NIL

Note: 1 Member abstained from postal ballot e-voting.

Procedure for Postal Ballot:

The postal ballot was conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and in terms of the General Circular Nos. 14/2020 dated 08th April 2020, 17/2020 dated 13th April 2020, 10/2021 dated 23rd June 2021, 03/2022 dated 05th May 2022, 11/2022 dated 28th December, 2022 and other relevant circulars and notifications issued by the Ministry of Corporate Affairs, the Notice of Postal Ballot was sent in electronic mode only to all those shareholders who had registered their e-mail addresses with the Company or Depository Participant / Depository / Cameo Corporate Services Ltd, the Company's Registrar & Transfer Agent (hereinafter referred as "RTA"). Further, the shareholders were provided the option to vote only through remote e-voting and voting through physical ballot papers was not provided as per the guidelines issued by the MCA vide MCA Circulars. The Company fixes a cut-off date to reckon paid-up value of equity shares registered in the name of shareholders for the purpose of voting. Shareholders may cast their votes through e-voting during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman or person duly authorised by the Chairman and the results of voting by postal ballot are announced by the Chairman or Person duly authorized within 2 working days of conclusion of the voting period. The results are also displayed on the website of the Company <http://www.sepc.in/>, besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agents. The resolutions, if passed by the requisite majority are deemed to have been passed on the last date specified for e-voting.

Ms. Srinidhi Sridharan of Srinidhi Sridharan & Associates, Company Secretaries was the Scrutiniser to the Postal Ballots.

Means of Communication

The Company's website is a comprehensive reference on the management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, updates and news. The section on Investors serves to inform the shareholders, by giving complete financial details, Shareholding Patterns, to comply with MCA Guidelines. The website covers all major press reports, releases, etc., as and when applicable. The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of results, Annual Report, press releases, Analysts Call after the Board Meeting, if any and the Company's website. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

Particulars	No. of Members cast their votes by E-voting
Quarterly results and in which newspaper normally published in.	Results are published in Business Line, The Financial Express (all editions) and in Maalai Thamizhagam (Tamil - Chennai edition)
Any website where displayed	Yes, the results are displayed on the Company's website - http://www.sepc.in/investors-financial-results.aspx
Whether it also displays official news releases	Yes
Whether the website displays the presentation made to the institutional investors and to the analysts	Yes

General shareholder information

Annual General Meeting:

- (i) Date, time: 21st September, 2023 at 11.00 AM by video conferencing
- (ii) Financial Year: 1st April, 2022 to 31st March, 2023
- (iv) Dividend payment date - NA
- (iii) Listing

The Stock Exchanges on which the Company's shares are listed:

a. BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

b. National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,
Bandra-Kurla Complex,
Mumbai 400051

The Company has paid listing fees for both BSE Ltd and National Stock Exchange of India Limited.

(v) Stock Code

BSE Limited: 532945

National Stock Exchange of India Limited: SEPC

The ISIN of the Company for its shares: ISIN INE-964H01014

(vi) Market price information High and Low during each month from 01 April, 2022 to 31 March, 2023:

A. BSE Limited:

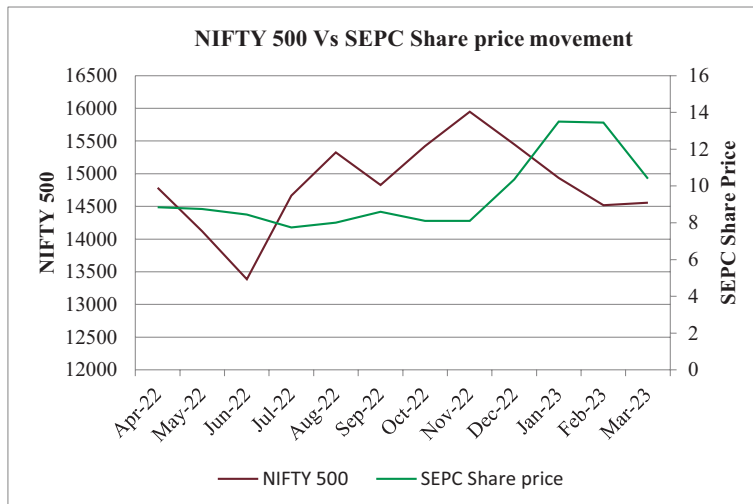
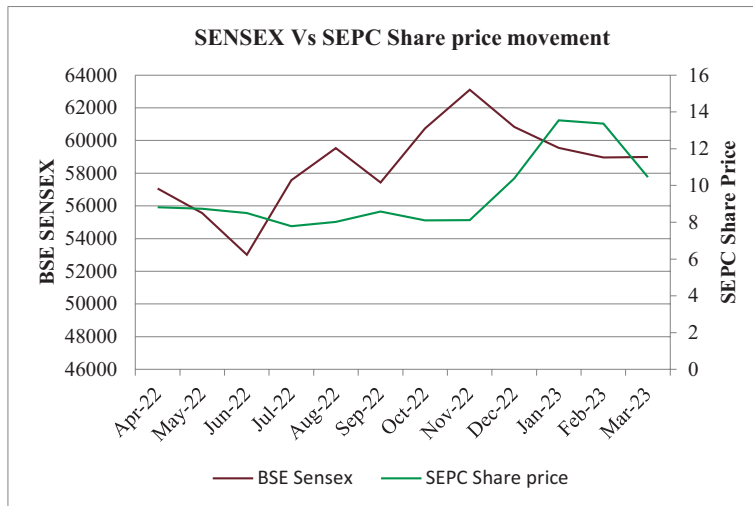
Month	High	Low
April-2022	9.55	7.60
May-2022	10.24	7.13
June-2022	9.90	7.00
July-2022	9.00	7.60
August-2022	9.00	7.23
September-2022	9.92	7.91
October-2022	8.77	7.90
November-2022	9.00	6.30
December-2022	13.80	8.01
January-2023	15.30	10.22
February-2023	15.42	12.32
March-2023	15.89	10.21

B. National Stock exchange Limited:

Month	High	Low
April-2022	9.60	7.50
May-2022	10.25	7.15
June-2022	9.95	6.80
July-2022	9.00	7.05
August-2022	9.00	7.15
September-2022	9.95	7.90
October-2022	8.80	7.95
November-2022	9.10	7.45
December-2022	13.85	8.05
January-2023	15.30	10.50
February-2023	15.40	12.30
March-2023	15.90	10.30

(vii) Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index:

Performance in comparison with BSE SENSEX for the period from 01st April, 2022 to 31st March, 2023



(viii) Registrars and Share Transfer Agents

The Members are requested to correspond to the Company's Registrars & Share Transfer Agents –

Cameo Corporate Services Limited
Subramanian Building,
V Floor No. 1, Club House Road
Chennai 600 002, India
Tel: (91 44) 2846 0390
Fax: (91 44) 2846 0129
Email: shriramepc@cameoindia.com
Website: <https://cameoindia.com/>
Contact Person: Ms. Jessy
SEBI Registration Number: INR000003753

(ix) Share Transfer System:

Members may please note that SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI, vide its notification dated January 24, 2022, has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

(x) Distribution of shareholding

A. Shareholding summary

SEPC LIMITED			
SHAREHOLDING SUMMARY AS ON 31-March-2023			
CATEGORY	NO.OF HOLDERS	TOTAL POSITIONS	% OF HOLDINGS
PHYSICAL	126	1261	0.0001
NSDL	16175	1172254834	88.7044
CDSL	35465	149272923	11.2955
TOTAL	51766	1321529018	100

B. Distribution of holdings as on 31.3.2023

SEPC LIMITED					
DISTRIBUTION OF HOLDINGS - NSDL & CDSL & PHYSICAL RECORD DATE : 31-March-2023					
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	35774	69.1071	4688425	46884250	0.3547
5001 - 10000	6084	11.7528	5353463	53534630	0.405
10001 - 20000	3599	6.9524	5850074	58500740	0.4426
20001 - 30000	1547	2.9884	4101885	41018850	0.3103
30001 - 40000	760	1.4681	2802164	28021640	0.212
40001 - 50000	1015	1.9607	4924633	49246330	0.3726
50001 - 100000	1417	2.7373	11416020	114160200	0.8638
100001 - And Above	1570	3.0328	1282392354	12823923540	97.0385
Total :	51766	100	1321529018	13215290180	100

(c) Capital of the Company as at 31-03-2023:

The authorized and paid-up capital of your Company is Rs.1400 crores and Rs. 1321.53 crores respectively.

The Company's shares can be traded only in dematerialized form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialise their shares with either of the depositories. Equity shares are traded in BSE and NSE.

- (xi) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any Convertible Instruments, conversion date and likely impact on equity – Not applicable.
- (xii) Commodity price risk or foreign exchange risk and hedging activities – Not applicable.

(xiii) Plant locations

The Company is not a manufacturing unit and thus not having any manufacturing Plant.

(xiv) Address for correspondence

SEPC Limited
10/1, Bascon Futura,
4th Floor, Venkatnarayana Road,
T. Nagar, Chennai – 600 017.
Ph.044-4900 5555
Email: info@shriramepc.com
Website: www.sepc.in

(xv) Financial calendar (Tentative)

Financial year	1 April 2022 to 31 March 2023
First quarter results	Aug 23
Half-yearly results	Nov 23
Third quarter results	Feb 23
Annual results	May 24
24th Annual General Meeting	August / September 2024

(xvi) Shareholding details of the Company:

Share Holding/Distribution Pattern as on 31st March, 2023

Particulars	Shares	Percentage
Promoter	410749462	31.0813
Foreign Portfolio Investor	2455944	0.1858
Financial Institutions/Banks	539045394	40.7895
Insurance Companies	-	-
Other Bodies Corporate	230971368	17.4775
Body Corporate - LLP	-	-
Non-Resident Indian	2704875	0.2046

Particulars	Shares	Percentage
Clearing Member	862310	0.0652
Hindu Undivided Family	7453372	0.5639
Directors and their relatives	500	0.0000
Public	127285793	9.6317
TOTAL	1321529018	100

(xvii) Dematerialisation of shares and liquidity:

The total number of shares dematerialised as on March 31, 2023 is 1321529018 representing 99.99% of paid up equity share capital. Trading in Equity Shares of the Company is permitted only in dematerialised form, w.e.f. February 15, 1999 as per the notification issued by the SEBI.

The Credit rating for proposed fund based working capital limits is D . During the year there is no change in the Credit rating obtained.

Other Disclosures

1. Basis of related party transactions

- (i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee.
- (ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.
- (iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.

The Company's Policy on Related Party Transactions is available at <http://www.sepc.in/pdf/Policy-on-Related-Party-Transactions-2022.pdf>

Policy on Material Subsidiaries:

In terms of Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) the Board of Directors have adopted a policy with regard to determination of Material Subsidiaries. The policy is placed on the website of the Company The Company's Policy on Material Subsidiaries is available at <http://www.sepc.in/pdf/Policy-on-Material-Subsidiaries-01-04-2019.pdf>

Risk Management:

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. The Audit Committee/the Board periodically discusses the significant business risks identified by the management and the mitigation process being taken up. A note on risk identification and mitigation is included in

the Management Discussion and Analysis, annexed to the Annual Report.

- (iv) There is no non-compliance by the Company and penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years, except to the extent as stated below.

2. Whistle Blower

In accordance with Section 177 of the Act and the SEBI (LODR) Regulations, the Company has formulated a Vigil Mechanism and has a whistle blower policy in place to address the genuine concerns or grievances, if any, of the directors and employees. The whistle blower policy is available on the website of the Company at <http://www.sepc.in/pdf/WHISTLE-BLOWER-AND-VIGIL-MECHANISM-NEW.pdf>

3. The other non-mandatory requirements of the Listing Regulations to certain extent have been adopted by the Company.
4. Commodity price risks and commodity hedging activities – Not Applicable
5. Details of utilization of Proceeds from public issues, right issues, preferential issues etc.

The preferential issues issued consequent to the Resolution Plan approved by the consortium of Lenders of the Company as per the **Prudential Framework for Resolution of Stressed Assets** by Reserve Bank of India Circular dated June 7, 2019, Mark AB Capital Investment LLC was allotted 35,00,00,000 (Thirty five crore) equity shares of rupees Rs. 10/- (ten) each amounting to Rs. 350 Crores which was utilized in full.

6. Practicing Company Secretary's certificate on the director's disqualification

A certificate from Ms. Srinidhi Sridharan, Practicing Company Secretary confirming that none of the Company's Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority is enclosed.

7. Details of recommendation of any committee of the Board which are not accepted by the Board

The Board of Directors accepted all the recommendation(s) of the Committees of the Board during financial year ended March 31, 2023.

8. Total fees paid to the Statutory Auditors for all the services in connection with the audit of the Company is Rs. 57.66 lakhs.

9. Disclosure under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a prevention of Sexual Harassment and Grievance Handling Policy in line with the requirements of The Sexual Harassment of Women at the work place (Prevention, Prohibition & Redressal) Act, 2013.

The following is the summary of sexual harassment complaints received and disposed of during the year 2022-23:

No. of complaints received – Nil

No. of complaints disposed of – Not Applicable

10. During the year under review, the Company had not granted any loans/advances in the nature of loans to firms/ companies in which Directors are interested.
11. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries - NIL
12. Compliance with Corporate Governance Norms

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in the SEBI Listing Regulations. The Company has submitted the compliance reports in the prescribed format to the stock exchanges for every quarter during the year ended 31st March, 2023. The certificate of compliance with the conditions of corporate governance as stipulated in Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report. The other non-mandatory requirements of the Listing Regulations to certain extent have been adopted by the Company.

13. Disclosures with respect to demat suspense account / unclaimed suspense account: Nil
14. Disclosure of Accounting Treatment:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The Company does not have any Indian subsidiary companies.

Code of Conduct

The Company has adopted a Code of Conduct (“the Code”) for Directors and Senior Management of the Company. The Code has been circulated to all the members of the Board and Senior Management and the same is available

on the Company’s website at the link: <http://www.sepc.in/pdf/Revised-Code-of-Conduct-12-11-2018.pdf>

The Board members and Senior Management personnel have affirmed their compliance with the code. A declaration to this effect signed by the Managing Director & CEO of the Company is contained in this Report.

S. No	Item	Compliance status (Yes/ No/NA)	Web address
1.	Details of its business.	Yes	http://www.sepc.in/business-water-infrastructure.aspx http://www.sepc.in/business-process-metallurgy.aspx http://www.sepc.in/business-mining-and-minerals.aspx http://www.sepc.in/business-overseas-projects.aspx http://www.sepc.in/business-power.aspx
2.	Terms and conditions of appointment of independent directors.	Yes	http://www.sepc.in/pdf/FORMAT-OF-LETTER-OF-APPNT-OF-INDEPENDENT-DIRECTOR-SEPC-NEW.pdf
3.	Composition of various committees of board of directors.	Yes	http://www.sepc.in/pdf/Committee-details-2023.pdf
4.	Code of conduct of board of directors and senior management personnel.	Yes	http://www.sepc.in/pdf/Revised-Code-of-Conduct-12-11-2018.pdf
5.	Details of establishment of vigil mechanism/ Whistle Blower policy.	Yes	http://www.sepc.in/pdf/WHISTLE-BLOWER-AND-VIGIL-MECHANISM-NEW.pdf
6.	Criteria of making payments to non-executive directors , if the same has not been disclosed in annual report.	Yes	http://www.sepc.in/pdf/Policy-on-criteria-of-making-payments-to-Non-Executive-Directors.pdf
7.	Policy on dealing with related party transactions.	Yes	http://www.sepc.in/pdf/Policy-on-Related-Party-Transcations-2022.pdf
8.	Policy for determining ‘material’ subsidiaries.	Yes	http://www.sepc.in/pdf/Policy-on-Material-Subsidiaries-01-04-2019.pdf
9.	Details of familiarization programmes imparted to independent directors	Yes	http://www.sepc.in/pdf/Policy-on-Familiarisation-Programme.pdf
10.	The email address for grievance redressal and other relevant details	Yes	http://www.sepc.in/investors-contacts.aspx
11.	Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes	http://www.sepc.in/investors-contacts.aspx

S. No	Item	Compliance status (Yes/ No/NA)	Web address
12.	Financial information including: (i) notice of meeting of the board of directors where financial results shall be discussed; (ii) financial results, on conclusion of the meeting of the board of directors where the financial results were approved; (iii) complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc;	Yes	http://www.sepc.in/investors-financial-results.aspx http://www.sepc.in/Regulation-30-and-other-intimations-to-stock-exchanges.aspx http://www.sepc.in/investors-annual-report.aspx
13.	Shareholding pattern;	Yes	http://www.sepc.in/investors-shareholding-pattern.aspx
14.	Details of agreements entered into with the media companies and/or their associates, etc;	NA	
15.	Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors	NA	
16.	New name and the old name of the listed entity for a continuous period of one year, from the date of the last name change	Yes	http://www.shriramepc.com/home.aspx
17.	Advertisements as per regulation 47 of LODR	Yes	http://www.sepc.in/Companies-Act-and-SEBI-Compliances.aspx
18.	Credit ratings obtained by the entity for all its outstanding instruments, updated immediately as and when there is any revision in any of the ratings.	Yes	http://www.shriramepc.com/investors-ratings-reports.aspx
19.	Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year, uploaded at least 21 days prior to the date of the annual general meeting which has been called to inter alia consider accounts of that financial year	Yes	http://www.sepc.in/subsidiary-financials.aspx
20.	Secretarial compliance report as per sub-regulation (2) of regulation 24A of these regulations;	Yes	http://www.sepc.in/Companies-Act-and-SEBI-Compliances.aspx

S. No	Item	Compliance status (Yes/ No/NA)	Web address
21.	Disclosure of the policy for determination of materiality of events or information required under clause (ii), sub-regulation (4) of regulation 30 of these regulations	Yes	http://www.sepc.in/pdf/Policy-on-criteria-for-determining-materiality-of-events.pdf
22.	Disclosure of contact details of key managerial personnel who are authorized for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) as required under sub-regulation (5) of regulation 30 of these regulations;	Yes	http://www.sepc.in/pdf/Details-of-KMP-for-determination-of-Materiality.pdf
23.	Statements of deviation(s) or variation(s) as specified in regulation 32 of these regulations.	Yes	http://www.sepc.in/pdf/Statement-of-Deviation.pdf
24.	Dividend distribution policy by listed entities based on market capitalization as specified in sub-regulation (1) of regulation 43A.	Yes	http://www.sepc.in/pdf/Dividend-Distribution-Policy.pdf
25.	Annual return as provided under section 92 of the Companies Act, 2013 and the rules made thereunder.	Yes	http://www.sepc.in/pdf/MGT-7-website.pdf

II Annual Affirmations

S. No	Particulars	Regulation Number	Compliance status(Yes/ No/NA)
1.	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or' eligibility	16(1)(b)&25(6)	Yes
2.	Board composition	17(1)	Yes
3.	Meeting of Board of directors	17(2)	Yes
4.	Quorum of Board meeting	17(2A)	Yes
5.	Review of Compliance Reports	17(3)	Yes
6.	Plans for orderly succession for appointments	17(4)	Yes
7.	Code of Conduct	17(5)	Yes
8.	Fees/compensation	17(6)	Yes
9.	Minimum Information	17(7)	Yes

II Annual Affirmations			
S. No	Particulars	Regulation Number	Compliance status(Yes/No/NA)
10.	Compliance Certificate	17(8)	Yes
11.	Risk Assessment & Management	17(9)	Yes
12.	Performance Evaluation of Independent Directors	17(10)	Yes
13.	Recommendation of Board	17(11)	Yes
14.	Maximum number of Directorships	17A	Yes
15.	Composition of Audit Committee	18(1)	Yes
16.	Meeting of Audit Committee	18(2)	Yes
17.	Composition of Nomination & Remuneration committee	19(1)&(2)	Yes
18.	Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
19.	Meeting of Nomination and Remuneration Committee	19(3A)	Yes
20.	Composition of Stakeholder Relationship Committee	20(1)&(2)	Yes
21.	Meeting of Stakeholders Relationship Committee	20(3A)	Yes
22.	Composition and role of risk management committee	21(1),(2),(3),(4)	Yes
23.	Meeting of Risk Management Committee	21(3A)	Yes
24.	Vigil Mechanism	22	Yes
25.	Policy for Related Party Transaction	23(1),(1A),(5),(6),(7)&(8)	Yes
26.	Prior or Omnibus approval of Audit Committee for all related party transactions	23(2),(3)	Yes
27.	Approval for material related party transactions	23(4)	Yes
28.	Disclosure of related party transactions on consolidated basis	23(9)	Yes
29.	Composition of Board of Directors of unlisted material Subsidiary	24(1)	Not applicable
30.	Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5)&(6)	Not applicable
31.	Annual Secretarial Compliance Report	24(A)	Yes
32.	Alternate Director to Independent Director	25(1)	Not applicable
33.	Maximum Directorship & Tenure	25(2)	Yes
34.	Meeting of independent directors	25(3)&(4)	Yes
35.	Familiarization of independent directors	25(7)	Yes

II Annual Affirmations			
S. No	Particulars	Regulation Number	Compliance status(Yes/No/NA)
36.	Declaration from Independent Director	25(8) & (9)	Yes
37.	D & O Insurance for Independent Directors	25(10)	Yes
38.	Memberships in Committees	26(1)	Yes
39.	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
40.	Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
41.	Policy with respect to obligations of directors and senior management	26(2)&26(5)	Yes

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

The Members

SEPC LIMITED

4th Floor, BASCON FUTURA
SV IT Park Venkatanarayana Road,
Parthasarathy Puram, T. Nagar
Chennai – 600017.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SEPC LIMITED, (CIN: L74210TN2000PLC045167) having its Registered Office at 4th Floor, BASCON FUTURA, SV IT Park Venkatanarayana Road, Parthasarathy Puram, T. Nagar Chennai - 600017 (hereinafter referred to as "The Company") produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our knowledge and according to the verifications (including Director Identification Number (DIN) Status at the portal www.mca.gov.in) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company as on March 31 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such other statutory authority.

S.NO	DIN	NAME OF THE DIRECTOR	DESIGNATION	DATE OF APPOINTMENT
1.	09436100	Abdulla Mohammad Ibrahim Hassan Abdulla	Non-Executive - Non Independent Director - Chairperson	24/06/2022
2.	01714066	Nemmara Krishnan Suryanarayanan	Executive Director, CEO-MD	24/06/2022
3.	01920603	R Ravichandran	Non-Executive - Independent Director	24/06/2022
4.	07212557	Gopalaswamy Arun Kumar	Non-Executive - Independent Director	24/06/2022
5.	09634747	Rajesh Kumar Bansal	Non-Executive - Independent Director	18/01/2023
6.	07342382	Sundaram Gayathri	Non-Executive - Independent Director	30/01/2023

Ensuring the eligibility of, for the appointment/ continuity of, every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR SRINIDHI SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS SRINIDHI SRIDHARAN
CP No. 17990
FCS No. 12510
PR NO: 655/2020
UIN: S2017TN472300
UDIN F012510E000779419

PLACE: CHENNAI
DATE : AUGUST 10, 2023

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

The Members

SEPC LIMITED

4th Floor, BASCON FUTURA
SV IT Park Venkatanarayana Road,
Parthasarathy Puram, T. Nagar
Chennai – 600017

We have examined, documents, books, papers, minutes, forms and returns filed and other relevant records maintained by **SEPC LIMITED, (CIN: L74210TN2000PLC045167)** [herein after referred as “the Company”] having its Registered Office at 4th Floor, BASCON FUTURA, SV IT Park Venkatanarayana Road, Parthasarathy Puram, T. Nagar Chennai - 600017 for the purpose of certifying compliance of the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter called “SEBI (LODR) Regulations 2015”) for the financial year ended March 31 2023. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied except to the extent as mentioned below regarding the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) of SEBI (LODR) Regulations 2015 for the financial year ended 31st March, 2023.

1. The Company did not have Woman Independent Director on its Board as required under Regulation 17 (1)(a) of SEBI LODR for the period from September 24 2022 to January 29 2023. However as per the information and explanations provided by the Company, the Company has appointed Ms. Gayathri Sundaram as an Additional and Independent Director of the Company with effect from January 30 2023.
2. The Company did not have the optimum or statutory minimum of 6 directors as required under the regulation 17(1) (c) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 for the period from September 24 2022 to January 29 2023.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR SRINIDHI SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES**

CS SRINIDHI SRIDHARAN

CP No. 17990

FCS No. 12510

PR NO: 655/2020

UIN: S2017TN472300

UDIN F012510E000779441

PLACE: CHENNAI

DATE : AUGUST 10, 2023

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company – <http://www.sepc.in/>.

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended 31st March, 2023.

Chennai
Date: 10-08-2023

N K Suryanarayanan
Managing Director & CEO

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Business Overview

SEPC Limited (formerly Shriram EPC Ltd) is one of the country's leading service provider of integrated design, engineering, procurement, construction and project management services for water infrastructure, process and metallurgy plants, power plants, and mines and mineral processing. SEPC has a proven track record, having executed some of the most complex and technically challenging projects across the country and overseas. Your Company offers services relating to industrial processes, metallurgy, thermal power plants, biomass power plants, Mines and Mineral processing, water and waste and water management and distribution systems.

The Business Responsibility & Sustainability Report (BRSR) is aligned with the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business, issued by the Ministry of Corporate Affairs (MCA) and is in accordance with clause (f) of sub-regulation (2) of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (Listing Regulations).

Your Company's Business Performance and Impacts are disclosed based on the 9 Principles as mentioned in the NVGs.

Principle 1 Ethics, Transparency & Accountability	Principle 2 Product Life Cycle Sustainability	Principle 3 Employee Well-Being
Principle 4 Stakeholder Engagement	Principle 5 Human Rights	Principle 6 Environment
Principle 7 Policy Advocacy	Principle 8 Inclusive Growth and Equitable Development	Principle 9 Customer Value Creation

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L74210TN2000PLC045167
2	Name of the Listed Entity	SEPC Limited
3	Year of incorporation	12-06-2000

4	Registered office address	Bascon Futura SV, 4th Floor, No.10/1, Venkatanarayana Road, T.Nagar, Chennai 600017
5	Corporate address	Bascon Futura SV, 4th Floor, No.10/1, Venkatanarayana Road, T.Nagar, Chennai 600017
6	E-mail	info@sepc.in / tsr@sepc.in
7	Telephone	044 4900 5555
8	Website	www.sepc.in
9	Financial year for which reporting is being done	April 2022-March 2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited & National Stock Exchange of India Ltd.,
11	Paid-up Capital	Rs. 13,21,52,90,180
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	T Sriraman tsr@sepc.in, 044-49005555
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Consolidated Basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Construction	Engineering, Procurement and Construction of Water Supply and Distribution, Sewage treatment plants, Power plants, Minerals & Metal process plants etc	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover Contributed
1	Construction of sewer systems including sewage disposal plants and pumping stations	42205	82%
2	Construction of roads	42101	10%
3	Project Management activities	7110	5%
4	Installation of Industrial Machinery and equipment	33200	3%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	---	13	13
International	---	1	1

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/ A)
EMPLOYEES						
1.	Permanent(D)	251	228	91%	23	9%
2.	Other than Permanent(E)	9	9	100%	0	0
3.	Total employees (D+ E)	260	237		23	
WORKERS						
4.	Permanent(F)	0				
5.	Other than Permanent(G)	252	245	97%	7	3%
6.	Total workers (F+G)	252	245		7	

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/ A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent(D)	2	2	100%	0	0
2.	Other than Permanent(E)	0	0	0	0	0
3.	Total differently abled employees (D+ E)	2	2	100%	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent(F)	0	0	0	0	0
5.	Other than Permanent(G)	0	0	0	0	0
6.	Total differently abled workers (F+G)	0	0	0	0	0

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	6	1	16.66%
Key Management Personnel	2	-	0%

17. Markets served by the entity:

a. Number of locations

Locations	Number
National(No. of States)	13
International(No. of Countries)	1

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c. A brief on types of customers

The Company's business is construction of infrastructure. Some of the major clients include State and Central Government departments, public sector entities, ministries, local municipal bodies.

20. Turnover rate for permanent employees and workers

Particulars	FY 2022-2023 (Turn over rate in current FY)			FY 2021-2022 (Turn over rate in previous FY)			FY 2020-2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	23 %	15%	22%	34%	13%	32%	33%	17%	32%
Permanent Workers	--	--	--	--	--	--	--	--	--

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding /subsidiary/ associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	%of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	SHRIRAM EPC FZE, SHARJAH	Subsidiary	100%	No
2	SHRIRAM EPC ARKAN LLC	Step-down Subsidiary	70%	No
3	SEPC Arabia Company Limited	Subsidiary	100%	No
4	Shriram EPC Eurotech Environmental Pvt Ltd - JV	Joint Venture	NA	No
5	SEPC DRS ITPL JV	Joint Venture	NA	No
6	Mokul Shriram EPC JV	Joint Venture	NA	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Not Applicable
(ii) Turnover (in Rs.) 37,884.66 Lakhs
(iii) Net worth (in Rs.) - 1,08,404.21Lakhs

Note: The details from the standalone financial statements are considered for CSR disclosure.

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles1to9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022 - 23 Current Financial Year			FY 2021 - 22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Nil	Nil	Nil	NA	Nil	Nil	NA
Investors (other than shareholders)	Nil	Nil	Nil	NA	No	Nil	NA
Shareholders	http://www.sepc.in/pdf/Community-Grievance-Redress.pdf	1	Nil	Resolved 1	Nil	Nil	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022 - 23 Current Financial Year			FY 2021 - 22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes, http://www.sepc.in/pdf/Employee-Grievance.pdf	Nil	Nil	NA	Nil	Nil	NA
Customers*	No	-	-	-	-	-	-
Value Chain Partners*	No	-	-	-	-	-	-
Other(please specify)	-	-	-	-	-	-	-

* The leadership team conducts meetings with the customers and other value chain partners periodically.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
01	Ambitious targets for water for all in the country.	Opportunity	The Har Ghar Jal initiative announced by GOI aims to provide every rural household with affordable and regular access to safe drinking water through taps by 2024.	-	Positive
02	Climate Change and environmental & social matters	Opportunity	Stringent regulations on emission norms for the existing / new power plants provides fresh opportunity for bidding Flue Gas Desulfurization (FGD) projects. The prohibition on open cast mining & approval for underground mining as they have lower environmental foot print.	-	Positive
03	Cyclical nature of business	Risk	Any slowdown in domestic or global business infrastructure development will have impact on business sustainability.	Company is present in multiple verticals to deal with any slowdown in one sector will offset with the progress with the other.	Negative
04	Preference for green steel	Risk	At present we do not have technology partner to participate in this segment and it will affect business prospects from steel sector	To look for a qualified technology partner	Negative

SECTIONB: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and management processes									
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	NA	Y	Y	Y	Y*	Y	Y	Y*
	b. Has the policy been approved by the Board? (Yes/No)	YES								
	c. Web Link of the Policies, if available	http://www.sepc.in/Companies-Act-and-SEBI-Compliances.aspx								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Y	NA	Y	Y	Y	Y	Y	Y	N
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	NA	Y	N	Y	Y	Y	Y	Y
4	Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fair trade, Rain forest, Alliance, Trustea) standards (e.g. SA8000,OHSAS, ISO,BIS)adopted by your entity and mapped to each principle.	Yes. Third party audit agencies including, TUV-Nord, conduct audits in various businesses on different standards such as ISO 14001:2018, ISO 45001:2018 . During the audit process, they check policy elements, procedures, action plans, review process, etc.								
5	Specific commitments, goals and targets Set by the entity with defined timelines, if any.	NA								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA								
Governance, leadership and oversight										
7	Statement by director responsible for the business responsibility report,highlighting ESG Related challenges,targets and achievements (list edentity has flexibility regarding the placement of this disclosure)	SEPC Limited gives importance to Environment protection, Sustainability and Governance. Imbibing ESG principles in our core business of providing end-to-end solutions to engineering challenges, offering multi-disciplinary design, engineering, procurement, construction and project management services, while striving to deliver reliable and quality services to our clients. The Company employs contract workers and focuses on providing equal opportunity, ensuring diversity and inclusion, workplace safety and well-being for all employees and workers. The Company has fair and transparent governance and disclosure practices, through the Code of Conduct, Whistle-blower Policy and other detailed procedures to ensure compliance and uphold its principles.								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The CEO & MD and the Board are the highest authority responsible for implementation and oversight of the Business Responsibility policy								
9	Does the entity have a specified? Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes /No).If yes, provide details.	The CEO & MD and the Board are the highest authority responsible for sustainability related issues								

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9										
Policy and management processes																				
10	Details of Review of NGRBCs by the Company:																			
	Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/ Quarterly/ Any other- please specify)									
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9	
	Performance against above policies and follow up action	Y	NA	Y	Y	Y	Y	-	Y	Y	A	A	A	A	A	A	-	A	A	
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	NA	Y	Y	Y	Y	-	Y	Y	A	A	A	A	A	A	-	A	A	
11	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No).If yes, provide name of the agency.	<p>The implementation of the Company's Code of Conduct and other policies are reviewed through internal audit/control function. The Quality, Safety & Health and Environmental policies are subject to internal reviews for continuous assessment by the Quality Control Department.</p> <p>Most of the policies adopted by the Company for ensuring the orderly and efficient conduct of business including adherence to Company's policies have been evaluated periodically by an independent external agency as a part of internal financial control requirement.</p>																		
12	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:																			
	Questions										P1	P2	P3	P4	P5	P6	P7	P8	P9	
	The entity does not consider the Principles material to its business (Yes/No)										-	-	-	-	-	-	-	-	-	
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)										-	-	-	-	-	-	-	-	-	
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)										-	-	-	-	-	-	-	-	-	
	It is planned to be done in the next financial year (Yes/No)										-	-	-	-	-	-	-	-	-	
	Any other reason (please specify)										-	-	-	-	-	-	-	-	-	

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators maybe voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4	<ul style="list-style-type: none"> ✓ Operations & Performance ✓ Internal Financial Control ✓ Future Outlook & Strategy ✓ Regulatory Updates (LODR) 	100%
Key Managerial Personnel	5	<ul style="list-style-type: none"> ✓ Critical issues in GST Litigation ✓ ESG Reporting - Investor Approach & Expectations ✓ Latest updates on PIT Regulations & ✓ Structured Digital Database ✓ Regulatory Updates (LODR) 	100%
Employees other than BoDs and KMPs	40	<ul style="list-style-type: none"> ✓ HR Transformation 2022 ✓ Safety Awareness ✓ HR Management & Analytics – IIM ✓ HR Analytics-ILMS ✓ Fire protection- N2 gas injection on SERGI system ✓ POSH- Awareness Programme ✓ Planning for a Net Zero City ✓ Regulatory Changes and Challenges and Liability of Company Secretary & Directors ✓ Fire Mock drill 	96%
Workers	NA	NA	NA

1. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year: Not Applicable

Monetary

	Penalty/Fine	Settlement	Compounding Fee
NGRBC principle	-	-	-
Name of regulatory/ enforcement agencies/ judicial institutions	-	-	-
Amount (INR)	-	-	-
Brief of case	-	-	-
Has an appeal been preferred (Yes/No)	-	-	-

Non - Monetary

	Imprisonment	Punishment	Compounding Fee
NGRBC principle	-	-	-
Name of regulatory/ enforcement agencies/ judicial institutions	-	-	-
Amount (INR)	-	-	-
Brief of case	-	-	-
Has an appeal been preferred (Yes/No)	-	-	-

2. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed. – Not Applicable

3. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to forms part of Business Conduct Policy.

Yes, <http://www.sepc.in/pdf/Business-Conduct.pdf>

4. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption: Nil

5. Details of complaints with regard to conflict of interest:

	FY 2022- 2023 (Current Financial Year)	FY 2021 - 2022 (Previous Financial Year)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil

6. Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1980	Regular training programs are conducted for value chain partners (contractors/ contract workers, etc). This includes pep talks, morning meetings, classroom trainings, etc. Topics covered are related to human rights, EHS, waste management, environmental management, ethics and corporate governance, and other operational topics	70%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? If yes, provide details of the same. NA

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE.

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year – 2022-2023	Previous Financial Year – 2021 -2022	Details of improvements in environmental and social impacts
R&D	Nil	Nil	-
Capex	Nil	Nil	-

- Does the entity have procedures in place for sustainable sourcing? Yes.
The Company has adopted various methodologies for sustainable sourcing. Some of the mechanisms are as follow: • The Company gives priority to social, ethical, and environmental performance of suppliers, while sourcing materials and availing services.
 - If yes, what percentage of inputs were sourced sustainably? 100%
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste. – Not Applicable
- Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes/No). If yes, whether the waste collection plan is in line with the extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

In India, EPR is applicable for plastic waste and electronics waste and recently it is mandated for import of items with plastic packaging. The Company has businesses in EPC projects and Hi-Tech Manufacturing and does not manufacture any plastic products

Leadership Indicators

- Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective /Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link
Not Applicable					

- If there are any significant social or environmental concerns and/ or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action taken
Not Applicable		

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or reused input material to total material	
	FY 2022- 2023 (Current Financial Year)	FY 2021 - 2022 (Previous Financial Year)
Not Applicable		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022- 2023 (Current Financial Year)			FY 2021 - 2022 (Previous Financial Year)		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (Including packaging)	Not Applicable					
E waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as% of total products sold in respective category
Not Applicable	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

- 1 a. Details of measures for the well-being of employees:

Category	TOTAL (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% B/A	Number ('C)	% C/A	Number ('D)	% D/A	Number ('E)	% E/A	Number(F)	% F/A
Permanent Employees											
Male	228	228	100%	228	100%	NA	NA	228	100%	0	0%
Female	23	23	100%	23	100%	23	100%	NA	NA	0	0%
Other than permanent Employees											
Category	TOTAL (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% B/A	Number ('C)	% C/A	Number ('D)	% D/A	Number ('E)	% E/A	Number(F)	% F/A
Male	9	9	100%	9	100%	NA	NA	9	100%	0	0%
Female	0	0	0%	0	0%	0	0%	NA	NA	0	0%

- b. Details of measures for the well-being of workers:

Category	TOTAL (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% B/A	Number ('C)	% C/A	Number ('D)	% D/A	Number ('E)	% E/A	Number(F)	% F/A
Permanent Workers											
Male		Nil									
Female		Nil									
Other than permanent Workers											
Category	TOTAL (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% B/A	Number ('C)	% C/A	Number ('D)	% D/A	Number ('E)	% E/A	Number(F)	% F/A
Male	245	245	100%	245	100%	NA	NA	245	100%	NA	NA
Female	7	7	100%	7	100%	7	100%	NA	NA	NA	NA

2. Details of retirement benefits, for Current FY and Previous Financial Year

BENEFITS	FY 2022-2023 Current Financial Year			FY 2021-2022 Previous Financial Year		
	No of Employees covered as a % of total employees	No of workers covered as a % of total workers	Deducted and deposited with the authority Y/N, NA	No of Employees covered as a % of total employees	No of workers covered as a % of total workers	Deducted and deposited with the authority Y/N, NA
PF	88%	100%	Yes	90%	100%	Yes
GRATUITY	100%	100%	Yes	100%	100%	Yes
ESI	100%	94%	Yes	100%	89%	Yes
EDLI Policy	88%	0	NA	90%	0	NA
GPA Policy	100%	0	NA	100%	0	NA
WC Policy	0	100%	NA	0	100%	NA

Note: All eligible employees are covered under the above statutory benefits

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Most of the Company's permanent office buildings are accessible to differently abled employees and workers

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes : <http://www.sepc.in/pdf/Equal-Opportunity-to-Persons-with-Disabilities.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA

Note: During the year parental leave has not been availed by any female employees.

6. Is the reamechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Employee Grievance Management Policy is made available on the website of SEPC, at following link: <http://www.sepc.in/pdf/Employee-Grievance.pdf>

Yes. Any employee of the company can raise grievance as outlined in the Employees Grievance Redressal Policy for redressal. All employees have been familiarized on the policies and how to escalate the grievance. The grievance can be raised in person or through email with the designated Authority.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022- 2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	%(B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D / C)
Total Permanent Employees						
- Male	Not Applicable					
- Female	Not Applicable					
Total Permanent Workers						
- Male	Not Applicable					
- Female	Not Applicable					

Note : There are no associations or Unions

8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health & safety Measures		On Skill Upgradation		Total (A)	On Health & safety Measures		On Skill Upgradation	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (E)	%(E/D)	No. (F)	%(F/D)
Employees										
- Male	228	171	75%	9	4%	245	215	87%	51	21%
- Female	23	18	78%	12	52%	26	16	61%	9	35%
Other than permanent employees										
- Male	Not Applicable									
- Female	Not Applicable									

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. B	%(B/A)	Total (A)	No. D	%(D/C)
Employees						
- Male	228	205	90%	245	220	90%
- Female	23	17	75%	26	21	80%
Other than permanent employees						
- Male	Not Applicable					
- Female	Not Applicable					

Note: Performance and career development review was carried out for 100% of eligible employees (except new joinees).

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. The company has adopted and implemented the Health Safety and Environmental Management Systems (HSE) through IMS - Integrated Management System, (ISO Management System for OH&S, EMS, QMS) IMS Policy covers Health and Safety and the company is committed to provide safe and healthy working environment for the prevention of work related injuries and ill health. This is implemented at all our sites and offices.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The company has assessed and identified risks relating to all activities through HIRA and have evolved processes to carry out different activities in a safe manner. In order to periodically monitor and review, the company has formed safety committee at all sites and members are encouraged to offer suggestions for improvements. The minutes of the safety committee meetings are reviewed at the corporate level and suggestions for improving the process are evaluated for implementation.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. Yes

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all the employees have access to non-occupational medical and healthcare services through tie ups with medical entities in close proximity.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related Injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

- ✓ Hazards relating to each activity at site have been identified and safe working method to undertake each activity has been developed and implemented at all sites.
- ✓ Personal protective equipments have been provided to all personnel at work site.
- ✓ All high risk construction works are carried out with Work permit only. Before taking up the job while issuing work permit a safety tool box is given to all the personnel concerned on the possible hazards and steps for safe working are explained.
- ✓ Work related hazards discussed in detail in the daily tool box.
- ✓ There is a system to capture all incidents for thorough investigation and corrective actions to avoid future incidents/ accidents.
- ✓ Internal safety audits are conducted periodically
- ✓ Preventive Maintenance is being carried out for construction tools and tackles.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	70% by internal team
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

NIL

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of
 - Employees - Yes
 - Workers - NA
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

All corporate contracts entered by us with value chain partners require them to comply with the statutory benefits scheme. The compliance is periodically reviewed.

- Provide the number of employees / workers having suffered high consequence work- related injury/ill-health /fatalities (as reported in Q11of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	Nil			
Workers	Not Applicable			

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) YES
- Details on assessment of value chain partners:

	%of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

- Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.
Not applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.
SEPC values and recognizes the role and the contribution made by any individual, group or institution that constitute its value chain as a stakeholder. Contribution made by each of one of them is assessed to identify the key stakeholders. This includes employees, community, investors, suppliers, customers etc.,
- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholders group	Whether identified as Vulnerable and marginalized group (Yes/No)	Channel of communication	Frequency of Engagement (Annually/Half/Yearly/Quarterly/others – please specify)	Purpose and scope of Engagement including key topics and concerns raised during such engagement
Shareholders	No	AGM, Annual reports, periodical dissemination of information through stock exchanges, addressing queries raised, Grievance redressal etc	Annual, Need basis	Keep the shareholders informed and improve governance practices.

Stakeholders group	Whether identified as Vulnerable and marginalized group (Yes/No)	Channel of communication	Frequency of Engagement (Annually/Half/Yearly/Quarterly/others – please specify)	Purpose and scope of Engagement including key topics and concerns raised during such engagement
Employees	No	Employee interaction, Performance appraisal, E mail communication, promotion incentives etc	Regular	Helps build good team, upgrade skills and knowledge and align employees towards organizational goals. Career advancement opportunities and adhere to ethical practices.
Community	No	NA	Need basis	Local development and contribute to better livelihoods
Customers	No	Regular interaction, email communication, meetings held at various levels	Regular, Need basis	Understand their need and strive towards satisfying their needs. Obtain feedback to improve the process. Help customers meet their sustainability goals.
Suppliers	No	Periodical interaction, meetings, email communication	Regular	Improve efficiency through timely supply of quality goods

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Consultation with our stakeholders is an ongoing process. We engage with our employees, suppliers and customers regularly during the course of our business. The shareholders have the opportunity to interact with the board members during Annual General Meeting. The Management team reviews the feedback periodically.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

NO

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Not Applicable

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY2022-2023 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees / workers covered(B)	%(B/ A)	Total(C)	No. of employees / workers covered(D)	%(D/ C)
Employees						
Permanent	251	62	25%	271	74	27%
Other than permanent	9	2	22%	11	2	18%
Total Employees	260	64	25%	282	76	27%
Workers						
Permanent	Nil					
Other than permanent	Not Applicable					
Total Workers						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 22-23 Current Financial Year					FY 21-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	%(E / D)	No. (F)	%(F / D)
Employees										
Permanent										
Male	228	0	0%	228	100%	245	0	0%	245	100%
Female	23	0	0%	23	100%	26	0	0%	26	100%
Other than Permanent										
Male	9	0	0%	9	100%	11	0	0%	11	100%
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male										Nil
Female										Nil
Other than Permanent										
Male	245	245	100%	0	0%	220	220	100%	0	0%
Female	7	7	100%	0	0%	1	1	100%	0	0%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	6,015,000	--	--
Key Managerial Personnel	2	3,448,260	--	--
Employees other than BoD and KMP	225	504,828	23	525,360
Workers			--	

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

YES

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.-

We have exclusive committees constituted to redress grievances relating to human rights issues.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2023-22 Current Financial Year			FY 2022-21 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment		Nil			Nil	
Discrimination at Workplace		Nil			Nil	
Child Labour		Nil			Nil	

Category	FY 2023-22 Current Financial Year			FY 2022-21 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Forced Labour / Involuntary Labour		Nil			Nil	
Wages		Nil			Nil	
Other human rights related issues		Nil			Nil	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.-

The complaints of discrimination and harassment are addressed in a fair manner. The identity of the complainant is not disclosed unless required. Post the resolution, protection is given to the complainant to avoid any vindictive consequences.

8. Do human rights requirements form part of your business agreements and contracts? Yes

Clauses related to various aspects of human rights are part of the contracts with suppliers, partners, etc

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Employing child labour is prohibited by SEPC. – 100%
Forced / involuntary labour	Aligning with the applicable amended labour codes, SEPC has an excellent track record insofar as engaging labourers is concerned. It never encourages any forced or involuntary labour. – 100%
Sexual harassment	The Company has a well defined policy for Prevention of Sexual Harassment at the workplace. The Company has a defined system to receive complaints from the employees at any point of time and a Committee consisting of top management representative to review such cases, if any, reported and deliver punishment to erring employees, if so warranted. Thus far the Company has a good track record in this area too. – 100%
Discrimination at workplace	The Company boasts of a good track record as it firmly believes with conviction to bestow equal rights with equal remuneration to all workmen based on performance without any discrimination. This holds good for all its site offices too. – 100%
Wages	So far as payment of wages is concerned, the Company is fully compliant in terms of the relevant rules under the Payment of Wages Act, equal remuneration act, payment of minimum wages act, etc. The Company stands to have a good record here again with absolutely no complaints against it from any of its offices / site offices. – 100%
Others – please specify	The Company's internal operations are subjected to Audit with particular reference to statutory compliances every year before the IMS Certification. The company has passed all such audits / verifications with NO DEVIATION / NIL NON CONFORMANCE so far. The Company ensures that before starting any of its operations, the pre-required clearances, approvals, Licences ,etc are obtained. The Offices of SEPC are also subjected to surprise inspections by the Labour Officers. So far there has been no issues from any such surprise inspections from the Government Officials. – 100%

10. Provide details of any corrective actions taken or underway to address significant risks/

Concerns arising from the assessments at Question 9above.

No significant risk/concern raised

Leadership Indicators

- Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.-
No complaint received in FY2022-23 for human rights violation.
- Details of the scope and coverage of any Human rights due-diligence conducted.
The scope and coverage of human rights due diligence extends to the Company's offices including contractual workers. This assessment covers aspects such as child labour, forced/involuntary labour, wages, sexual harassment, discrimination at workplace, health and safety, working conditions and grievance mechanism.
- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
Most of the permanent facilities and office buildings are accessible to differently abled visitors.
- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced Labour/Involuntary Labour	Nil
Wages	Nil
Others – please specify	Nil

Note: Most of our value chain partners are reputed Corporate companies who have their own policies and mechanism to monitor for compliance of all matters relating to human rights and ethical practices.

- Provide details of any corrective actions taken or under way to address significant risks/ Concerns arising from the assessments at Question 4 above.
Not applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

- Details of total energy consumption (In Mega Joules or multiples) and energy intensity, in the following format

Parameter	FY 2023-22 (Current Financial Year)	FY 2022-21 (Previous Financial Year)
Total electricity consumption (A)(MJ)	15,496,600	3,544,736
Total fuel consumption(B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)(MJ)	15,496,600	3,544,736
Energy intensity per rupee of turnover	0.0041	0.0012
(Total energy consumption/ turnover in rupees)	-	-
Energy intensity(optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment / evaluation/ assurance has been carried out by an external agency?(Y/N) If yes,name of the external agency. - No

2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade(PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-22 (Current Financial Year)	FY 2022-21 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	Nil	Nil
(iii) Third party water	Nil	Nil
(iv) Seawater/ desalinated water	Nil	Nil
(v)Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	Nil	Nil
Total volume of water consumption (in kilolitres)	Nil	Nil
Water intensity per rupee of turnover (Water consumed/ turnover)	Nil	Nil
Water intensity (optional) – the Relevant metric may be selected by the entity	Nil	Nil

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
NA

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify Unit	FY 2023-22 (Current Financial Year)	FY 2022-21 (Previous Financial Year)
NOx	-	Not applicable as there are no emissions from the process	
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants(HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

6. Provide details of green house gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY2022-23 (Current Financial Year)	FY 2022-21 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Nil	Nil
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Nil	Nil
Total Scope 1 and Scope 2 emissions per rupee of turnover		Nil	Nil
Total Scope 1 and Scope 2 emission intensity (optional) –the relevant metric may be selected by the entity		Nil	Nil

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency?(Y/N) If yes, name of the external agency. - No

7. Does the entity have any project related to reducing Green House Gas emission? No

8. Provide details related to waste management by the entity, in the following format: NA

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

NA

10. If the entity has operations/ offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hot spots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NIL			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The Company does not conduct Environmental Impact Assessment (EIA) since it falls under the purview of its clients.

Name and brief details of Project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
NIL					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules there under(Y/N). If not, provide details of all such non-compliances, in the following format: YES

S.No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NIL				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2023-22 (Current Financial Year)	FY2022-21 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	15,496,600	3,544,736
Total fuel consumption(B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	15,496,600	3,544,736
From non-renewable sources		
Total electricity consumption (D) (MJ)	-	-
Total fuel consumption(E)	-	-
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F) (MJ)	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Provide the following details related to water discharged: Not Applicable

Parameter	FY 2022-23 (Current FinancialYear)	FY 2022-21 (Previous FinancialYear)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Not Applicable	
- No treatment		
- With treatment – please specify level of Treatment		
(ii) To Groundwater		
- No treatment		
- With treatment–please specify level of Treatment		
(iii) To Seawater		
- No treatment		
- With treatment–please specify level of Treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment–please specify level of Treatment		
(v) Others		
- No treatment		
- With treatment–please specify level of Treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Not Applicable

For each facility/ plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-22 (Current Financial Year)	FY 2022-21 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not Applicable	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater/ desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed/ turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		

Parameter	FY 2023-22 (Current Financial Year)	FY 2022-21 (Previous Financial Year)
(i) Into Surface water	Not Applicable	
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency?(Y/N) If yes, name of the external agency. - No

4. Please provide details of totale missions&its intensity, in the following format:NA

Parameter	Unit	FY 2023-2022 (Current Financial Year)	FY 2022-21 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	-	-	-
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.
No

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Not Applicable			

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words.

We have an Emergency Preparedness plan to deal with contingencies and to protect our personnel and assets to quickly restore operations when a disaster strikes. All our employees are continuously trained by conducting mock drills to handle disasters.

To prevent any loss of data in the event of a disaster, periodical back up is taken. Critical data are stored in the cloud platform which can be retrieved anytime.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Most of our value chain partners are reputed companies who have adopted sustainable business practices and there is no significant adverse impact to the environment.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. NA

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. ONE
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S.No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Madras Chamber of Commerce & Industry	Both State and National level

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable

Name of Authority	Brief of the case	Corrective action taken

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S.No.	Public policy advocated	Method of reported for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (Annually/Half Yearly/Quarterly/Others)	Web Link, if available
Not Applicable					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. NA

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-
-	-	-	-	-	-

The Company does not conduct Social Impact Assessment (SIA) since it falls under the purview of the clients

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: NA

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
-	-	-	-	-	-	-
-	-	-	-	-	-	-

The Company does not undertake R&R as it falls under the ambit of the clients

3. Describe the mechanisms to receive and redress grievances of the community. – Not Applicable

4. Percentage of input material/services (inputs to total inputs by value) sourced from suppliers/service providers:

	FY2023-22 Current Financial	FY2022-21 Previous Financial Year
Directly sourced from MSMEs/small producers	---	---
Sourced directly from within the district and Neighboring districts	100%	100%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question1 of Essential Indicators above): Not Applicable

Details of negative social impact identified	Corrective action taken
-	-

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: NOT APPLICABLE

S.No.	State	Aspirational District	Amount spent (inr)
-	-	-	-

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups?(Yes/ No) NO

(b) From which marginalized/vulnerable groups do you procure? NA

(c) What percentage of total procurement (by value) does it constitute? NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity(in the current financial year), based on traditional knowledge: NA

S.No.	Intellectual property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit Shred (Yes/No)	Basis of calculating benefit share
-	-	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. - NA

Name of Authority	Brief of the case	Corrective action plan
-	-	-

6. Details of beneficiaries of CSR Projects: NA

S.No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
-	-	-	-

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
- The nature of the business and product is such that the consumer complaints and feedback may not be relevant for the Company
- Turnover of products and/services as a percentage of turnover from all products/service that carry information about: NA

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	
Recycling and/or safe disposal	

- Number of consumer complaints in respect of the following Nil

	FY2023-22 (Current Financial Year)		Remarks	FY2022-21 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

- Details of instances of product recalls on account of safety issues: NA

	Number	Reasons for recall
Voluntary recalls	-	
Forced recalls		

- Does the entity have a frame work/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. YES : <http://www.sepc.in/pdf/Cyber-Security.pdf>
- Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products / services. - NIL

Leadership Indicators

- Channels /platforms where information on products and services of the entity can be accessed (provide web link, if available). NA
- Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. NA
- Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services. NA
- Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/ Not Applicable) If yes, provide details in brief. Did your entity carryout any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole?(Yes/No) NA
- Provide the following information relating to data breaches:
 - Number of instances of data breaches along-with impact - NIL
 - Percentage of data breaches involving personally identifiable information of customers - NA

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]

The Members,

SEPC LIMITED

CIN: L74210TN2000PLC045167

4th Floor, Bascon Futura,

SV IT Park Venkatanarayana Road,

Parthasarathy Puram,

T.Nagar, Chennai - 600017

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SEPC LIMITED [Corporate Identification Number: L74210TN2000PLC045167]** (hereinafter referred to as "the Company") for the financial year ended March 31 2023. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31 2023 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment, Foreign Direct Investment and External Commercial Borrowings. However the Company is yet to get the approval from Reserve Bank of India for the allotment of Equity shares amounting to Rs. 350 crores.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (not applicable during the year under review);
 - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (not applicable during the year under review);
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (not applicable as the company is not registered as Registrar to an Issue and Share transfer Agent during the year under review);

- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (not applicable during the year under review); and
- i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (not applicable during the year under review);
- (vi) The Management has identified and confirmed the following Laws as being specifically applicable to the Company:
1. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution welfare, provident fund, insurance, compensation etc;
 2. Acts relating to consumer protection including Competition Act, 2002;
 3. Acts and rules prescribed under prevention and control of pollution;
 4. Acts and Rules relating to Environmental protection and energy conservation;
 5. Acts and Rules relating to hazardous substances and chemicals;
 6. Acts and Rules relating to Electricity, motor vehicles, explosives, Boilers etc.;
 7. Acts prescribed relating to mining activities;
 8. Acts relating to protection of IPR;
 9. The Information Technology Act, 2000;
 10. Tamil Nadu Labour Welfare Fund Act, 1972 read with Tamil Nadu Labour Welfare Fund Rules, 1973
 11. Land revenue laws and
 12. Other local laws as applicable to various plants and offices.

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the systems and mechanisms established by the Company are generally adequate to ensure compliance of laws as mentioned above.

We have also examined compliance with the applicable clauses / regulations of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) (Revised effective from October 1, 2017) and the Guidance Note on Meetings of the Board of Directors and General Meetings (revised) issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered into with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (herein after referred as "Listing Regulations").

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and such other regulatory authorities for such acts, rules, regulations, standards etc. as mentioned above except to the extent as mentioned below:

1. The Company did not have Woman Independent Director on its Board as required under second proviso of subsection(1) of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1)(a) of SEBI Listing Regulations for the period from September 24 2022 to January 29 2023. However as per the information and explanations provided by the Company, the Company has appointed Ms. Gayathri Sundaram as Additional and Independent Director of the Company with effect from January 30 2023.
2. The Company did not have the optimum or statutory minimum of 6 directors as required under the regulation 17(1)(c) of the SEBI Listing Regulations for the period from September 24 2022 to January 29 2023.
3. The Company has not made any disclosure to the stock exchange for the Quarter ended June 30 2022, September 30 2022, December 31 2022 and March 31 2023 regarding default on loans, including revolving facilities like cash credit, from banks pursuant to SEBI/HO/CFD/CM D1/CIR/P/2019/140 dated November 21 2019 which continues beyond 30 days.

4. The Withdrawal of Nomination of Mr. Kallika Prasad which was on February 24 2022 has been disseminated to the Stock Exchange on May 30 2022 exceeding the time period specified under Regulation 30(6) of Listing Regulations read with Schedule III, Part A, Para A, Clause 7.
5. The Company has submitted its Annual audited financial results for the financial year ended March 31 2022, on June 24 2022 exceeding the time period prescribed under Regulation 33(3)(d) of SEBI Listing Regulations.
6. The Company has submitted its Annual Secretarial Compliance Report to stock exchange on June 29 2022, exceeding the time period prescribed under Regulation 24A(2) of SEBI Listing Regulations.
7. The Company has submitted the Outcome of Board Meeting (dated June 24 2022 in which its financial results were considered) with a delay of 1 hour and 2 minutes exceeding the time period specified under Regulation 30 of SEBI Listing Regulations read with Schedule III Part A, Para A, Clause H in the National Stock Exchange of India.
8. The Company has submitted its disclosure to the stock exchange, (w.r.t Mr. T. Shivaraman and Mr. Mohammed Amjat Shariff retirement on September 19 2022) on September 23 2022, exceeding the time period prescribed under Regulation 30 of Listing Regulations, read with Schedule III Part A, Para A Clause 7.
9. (a) The Company has not filed the Monitoring Agency Report and Statement of Deviation and variation for the Quarter ended June 30 2022 violating Regulation 32(6) of SEBI Listing Regulations.
(b) The Company has filed the Monitoring Agency Report and Statement of Deviation on November 15 2022 for the Quarter ended September 30 2022 exceeding the time period prescribed under the above stated regulation.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Woman Independent Director and Independent Directors except to the extent as mentioned above. The changes in the composition of Board of Directors that took place during the period under review were carried out in the compliance with the provisions of the Act and the Listing Regulations, except to the extent as stated above.

Adequate notice is given to all directors before schedule of the Board/Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Notes on agenda which are circulated less than the specified period, the necessary compliances under the Act and Secretarial Standards on Board Meeting are complied with.

During the year under review, Directors/Members have participated in the Board / Committees meetings through video conferencing, such meetings were properly convened and recorded in compliance with the provisions of Section 173 (2) of the Act read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014. Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and other relevant regulatory authorities pertaining to Board/ Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors / Committee Members and no Director / Members of the Committee dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meetings, the number of votes cast against the resolution(s) by the members have been recorded.

We further report that based on the review of compliance mechanism established by the Company and on the basis of our review and audit of the records and books, we are of the opinion that the management has broadly adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that the above mentioned Company being a listed entity this report is also issued pursuant to Regulation 24A of the Listing Regulations as amended and circular No.CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India.

We further report that as per the information and explanations provided by the Management, the Company does not have any Material Unlisted Subsidiary(ies) Incorporated in India as defined in Regulation 16(1)(c) and Regulation 24A of the Listing Regulations as amended during the period under review.

We further report that during the audit period, the Company had

1. pursuant to the Resolution Plan approved by the consortium of Lenders of the Company as per the Prudential Framework for Resolution of Stressed Assets by Reserve Bank of India Circular dated June 7 2019:
 - a) Obtained approval of the Board for allotment of Equity shares and the allotment has been made during the year on Preferential basis to Mark AB Capital Investment LLC to a tune of Rs. 350 crores, in various tranches.
 - b) a change in Management Control, (i.e) Dr. R. Ravichandran, Dr. Arun Kumar Gopaldaswamy, Mr. Abdulla Mohammad Ibrahim Hassan Abdulla and Mr. N K Suryanarayanan had been inducted into the Board with effect from June 24 2022. The erstwhile Board composed of Mr. Thyagarajan Shivaraman, Mr. Mohammed Amjat Shariff (retired with effect from September 19 2022), Mr. Prabhakar Dattatraya Karandikar (resigned with effect from September 22 2022), Mrs. Chandra Ramesh, Mr. Babu Srinivasan and Mr. Kodumudi Sambamurthi Sripathi (resigned with effect from September 23 2022).
 - c) Obtained the approval of allotment committee at their meeting held on June 28, 2022 for allotment of 1,57,66,000 Unlisted Compulsorily Convertible Debentures (CCDs) of Rs.100/- each aggregating to Rs. 157.66 Crores and 1,57,66,000 Unlisted Non-Convertible Debentures (NCDs) of Rs.100/- each aggregating to Rs. 157.66 Crores in various tranches.
 - d) Obtained the approval of Board of Directors at their meeting held on September 24, 2022 for reclassification of SVL Limited from 'Promoter' category to 'Public' category and consequently the shares held by SVL Limited is transferred to Mark AB Welfare Trust, part of promoter group amounting to 6,58,49,462 shares on February 25, 2023 and February 27, 2023 respectively.
2. Obtained the approval of Board of Directors at their meeting held on December 27 2022 for issuing equity shares of the company on rights basis for an amount not exceeding Rs. 49,90,00,000 consisting of 4,99,00,000 equity shares of Rs. 10/- each. The Company has completed the raising of funds through Rights Issue post completion of period under review.

FOR SRINIDHI SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS SRINIDHI SRIDHARAN

CP No. 17990

FCS No. 12510

PR NO: 655/2020

UIN: S2017TN472300

UDIN F012510E000779364

PLACE: CHENNAI

DATE : AUGUST 10, 2023

This report is to be read with our letter of even date which is annexed as **ANNEXURE -A** and forms an integral part of this report.

'Annexure -A'

The Members

SEPC LIMITED

CIN:L74210TN2000PLC045167

4th Floor, Bascon Futura,
SV IT Park Venkatanarayana Road,
Parthasarathy Puram,
T.Nagar, Chennai - 600017

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the company under the specified laws.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**FOR SRINIDHI SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES**

CS SRINIDHI SRIDHARAN

CP No. 17990

FCS No. 12510

PR NO: 655/2020

UIN: S2017TN472300

UDIN F012510E000779364

PLACE: CHENNAI

DATE : AUGUST 10, 2023



**STANDALONE
FINANCIAL
STATEMENTS**

INDEPENDENT AUDITOR'S REPORT To the Members of SEPC Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of SEPC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 standalone 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. 33,289.92 Lakhs (March 31, 2022: Rs. 39,645 Lakhs) which is recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment that sufficient taxable profits will be available in the future against which such unabsorbed business losses can be utilised as required by Ind AS 12 on Income taxes, we are unable to ascertain the extent to which the deferred tax asset can be utilized. (Refer Note 43B of the standalone financial statements).
2. Contract Assets (Non-Current) include Rs. 7,351.90 Lakhs (Net of provisions amounting to Rs. 926.98 Lakhs) (March 31, 2022: Rs. 3,956.02 Lakhs) and Trade Receivables (Non-Current) include Rs. 575.21 Lakhs (Net of provisions amounting to Rs. 82.99 Lakhs) relating to dues on projects which are not progressing on account of statutory delays faced by the customer. In the absence of positive development in this matter till date, there is uncertainty on the amount that would be recoverable by the Company. Further, we do not have sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the said amounts.

Accordingly, we are unable to comment on the carrying value of above-mentioned Contract Asset (Non-Current) and Trade Receivables (Non-Current) and the impact if any, on account of non-provisioning of the said balances, on the standalone financial statements. (Refer to Note 8.1 and Note 11.1 of the Standalone Financial Statements)

These matters were also qualified in our report on the standalone financial statements for the year ended March 31, 2022.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to the following matters in the Notes to the standalone financial statements:

- a) Note 42.1(i) of the standalone financial statements, which describes the implementation of Resolution Plan entered into with the lenders dated June 22, 2022, wherein interest waiver, and the difference between the carrying amounts of the facilities before restructuring and the fair values of the new facilities has been recognised as income and disclosed under Exceptional items in the statement of profit and loss in accordance with INDAS 109 - Financial Instruments.
- b) Note 42.1(ii) to the standalone financial statements, which states that the management has written off an amount of Rs. 5,819.69 Lakhs towards amounts due on account of work performed on a contract entered into with a customers which was subsequently wrongfully terminated before the completion of the contract due to certain issues at the contract site. Legal disputes / arbitration proceedings have been initiated during the period in respect of projects with the customers.

Our opinion is not modified in respect of these matters.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, Management Report, Management Discussion and Analysis, Chairman's Statement, Director's Report including Annexures to Director's Report, Corporate Governance and Shareholder's information, Business Responsibility and Sustainability Reporting etc, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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. The other information included in the Annual Report, Management Report, Management Discussion and Analysis, Chairman's Statement, Director's Report including Annexures to Director's Report, Corporate Governance and Shareholder's information, Business Responsibility and Sustainability Reporting etc, have not been adjusted for the impacts as described in the Basis for Qualified section above. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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 for the year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Provision for Expected credit loss

Refer to Note no 8,10,11,12,15,16,20 in the standalone Ind AS Financial statements

Contract Assets are accounted based on the contractual terms and management's assessment of recoverability from customers. The recoverability of the same is mainly based on certification of the work done as certified by the engineer/

expert of the customers as per the specific requirements of the contracts.

Expected credit losses are measured based on the present value of cash shortfalls over the remaining expected lives of the trade receivables and contract assets. The Company estimates and recognises allowance for expected credit losses on these trade receivables and contract assets which involves consideration of ageing status, historical payment records, the likelihood of collection based on the terms of the contract and the credit information of its customers.

We have identified provisioning for expected credit loss as a key audit matter as the calculation of expected credit loss is a complex area and requires management to make significant assumptions and estimations on customer payment trends and behaviour in order to determine the amounts and timing of expected future cash flows.

How the Key Audit Matter was addressed in our audit:

Our audit procedures in respect of this area included:

1. Obtained an understanding of the Company's process relating to allowance for credit loss and assessed the management's estimate and related policies used in the credit loss analysis.
2. Verified design, implementation and operating effectiveness of controls over development of the methodology for the computation of provision for expected credit losses including completeness and accuracy of information used in such estimation and computation.
3. Examined, on a test check basis, the objective evidence relating to the impairment of trade receivables and Contract Assets and the key assumptions used in the estimate of the present value of all cash flows.
4. Reviewed the appropriateness of management's ageing analysis based on days past due by examining the original documents (such as invoices and bank deposit advice).
5. Recalculated the ECL for each type of trade receivables and Contract Assets according to the provision matrix to test the arithmetical accuracy.
6. Assessed the adequacy and appropriateness of the disclosures in the financial statements with respect to expected credit losses in accordance with the requirements of applicable Indian Accounting Standards

Responsibilities of Management and Those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial

position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and except, for the possible effect of the matter described in the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) Except for the effects of the matter described in the Basis of Qualified Opinion section above, 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 Flow dealt with by this Report are in agreement with the books of account.
 - (d) Except, for the matter described in the Basis of Qualified Opinion section above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above
 - (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note no 58 to the standalone financial statements;
 - ii. Except for the possible effect of the matters described in the basis of qualified opinion paragraph above, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. 1) The Management has represented that, to the best of its knowledge and belief as disclosed in note no 66 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- 2) The Management has represented, that, to the best of its knowledge and belief as disclosed in note no 66 to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- 3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. The Company has neither declared nor paid any dividend during the year.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner

Place: Chennai
Date: May 25, 2023

Membership No. 029409
UDIN: 23029409BGTMVJ4621

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SEPC LIMITED

Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned

scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance 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 standalone financial statements for the year ended March 31, 2023 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.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner

Place: Chennai
Date: May 25, 2023

Membership No. 029409
UDIN: 23029409BGMTMJ4621

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SEPC LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) All the Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular program of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment and right-of-use assets were due for verification during the year and were physically verified by the Management during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company except for the title deeds of immovable properties aggregating to Rs. 241.50 Lakhs are pledged with the banks and are not available with the Company. The same has been independently confirmed by the bank and verified by us.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The Company doesn't have any inventory. Accordingly, the provisions stated in paragraph 3(ii)(a) of the Order are not applicable to the Company.
 - (b) During the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Quarterly statements filed with such Banks/ financial institutions are in agreement with the books of account.
- iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have not been regularly deposited by the Company with the appropriate authorities and there have been delays in some cases.

There were no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-Clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount demanded Rs. (In Lakhs)	Amount paid Rs. (In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Service Tax (Chapter V of the Finance Act, 1994)	Service Tax and Penalty	408.00	28.50	2010-11 to 2012-13	Customs Excise and Service Tax Appellate Tribunal
Andhra Pradesh Value Added Tax Act	Value Added Tax	223.00	Nil	2008-09 and 2009-10	Assistant Commissioner-Commercial Taxes Andhra Pradesh
Tamil Nadu Value Added Tax Act	Value Added Tax	60.00	Nil	2010-11 to 2015-16	The Assistant Commissioner (ST) Egmore Assessment Circle and State Tax Office
West Bengal Value Added Tax Act and Central Service Tax Act	Value Added Tax and Central Service Tax	1,980.00	47.29	2007-08 to 2015-16	Revisional Board and Senior Joint Commissioner
Kerala value added tax Act	Dispute on Penalty	658.00	Nil	2015-16	Assistant Commissioner (INT), Kerala
Jharkhand Value added tax act	VAT Tax Amount and Interest	180.00	Nil	2013-14 to 2015-16	Dy. Commissioner of commercial tax
Jharkhand Goods & Service Tax Act	Disputed on Expenses Turnover	2.00	Nil	2015-16	Dy. Commissioner of commercial tax
Rajasthan Goods & Service Tax Act	Disputed on Royalty	6.00	Nil	2018-19 and 2019-20	Superintendent of GST, Rajasthan
Uttar Pradesh Value Added tax	Tax Demand on Disputed Turnover	58.00	Nil	2016-17	Commercial Taxes Department Uttar Pradesh

This does not include Show Cause Notices (pending formal demand notices) received by the Company

viii. According to the information and explanations given to us, there were no transactions which have been surrendered or disclosed as income during the year in Tax Assessments under the Income Tax Act, 1961 (43 of 1961) of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to except in the following cases, details of which are as follows:

Nature of borrowing, including debt securities	Name of Lender	Amount not paid on due date (Rs. Lakhs)	Whether principal or interest	No. of Days delay or unpaid	Remarks, if any
Term Loan	Central Bank Of India	24.00	Interest	1-61 days	Interest has been paid subsequently in FY 2022-23
Working Capital Term Loan (WCTL)	IFCI	12.56	Interest	1-61 days	Interest has been paid subsequently in FY 2022-23
Funded Interest Term Loan (FITL)	IFCI	1.88	Interest	1-61 days	Interest has been paid subsequently in FY 2022-23

Nature of borrowing, including debt securities	Name of Lender	Amount not paid on due date (Rs. Lakhs)	Whether principal or interest	No. of Days delay or unpaid	Remarks, if any
Emergency Covid Loan	Bank Of Maharashtra	4.00	Interest	1-82 days	Interest has been paid subsequently in FY 2022-23
Cash Credit	Punjab National Bank	20.80	Interest	1-62 days	
	State Bank Of India	95.00	Interest	1-214 days	
	Union Bank	9.00	Interest	1-61 days	
	Yes Bank	2.40	Interest	1-90 days	
	Axis Bank	4.80	Interest	1-62 days	
	Bank of Baroda	6.00	Interest	1-62 days	
	Bank Of India	4.40	Interest	1-131 days	
	Bank Of Maharashtra	10.00	Interest	1-62 days	
	Central Bank Of India	17.20	Interest	1-61 days	
	DBS Bank	22.00	Interest	1-62 days	
	Federal Bank Limited	4.40	Interest	1-62 days	
	Icici Bank Limited	0.80	Interest	1-62 days	
	Idbi Bank Limited	48.00	Interest	1-104 days	
	IFCI Factors	4.00	Interest	1-61 days	
	Indian Bank	12.00	Interest	1-72 days	
	Indusind bank	7.20	Interest	1-62 days	
	ARCIL	25.00	Interest	1-131 days	
Working Capital Demand Loan (WC DL)	Punjab National Bank	31.20	Interest	1-62 days	Interest has been paid subsequently in FY 2022-23
	Yes Bank	3.60	Interest	1-90 days	
	Axis Bank	7.20	Interest	1-62 days	
	Bank of Baroda	9.00	Interest	1-62 days	
	Bank of India	6.60	Interest	1-131 days	
	Centra Bank of India	25.80	Interest	1-61 days	
	Federal Bank	6.60	Interest	1-62 days	
	Icici Bank Limited	1.20	Interest	1-61 days	
	Indusind bank	10.80	Interest	1-62 days	

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiary.
- (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 subsidiary. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the

- year. Hence, the provisions stated in paragraph 3 (x) (a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares and fully convertible debentures during the year and the requirements of Section 42 and Section 62 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.
- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) (b) and (c) of the Order are not applicable to the Company.
- (b) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph 3 (xvi) (d) of the order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, Company has incurred cash losses amounting to Rs. 20,048.17 Lakhs during the immediately preceding financial year but has not incurred any cash losses during the current financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are not applicable to the Company. Hence, reporting under paragraph (xx)(a) to (b) of the Order is not applicable to the Company.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner

Place: Chennai
Date: May 25, 2023

Membership No. 029409
UDIN: 23029409BGTMVJ4621

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SEPC LIMITED

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of SEPC Limited on the Financial Statements for the year ended March 31, 2023]

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

Qualified Opinion

We have audited the internal financial controls with reference to standalone financial statements of **SEPC Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls with reference to standalone financial statements as of March 31, 2023, based on the internal control with reference to standalone 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 (ICAI) (the "Guidance Note"), and except for the possible effects of the material weaknesses described below on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to standalone financial statements were operating effectively as of March 31, 2023.

We have considered the material weaknesses identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2023 standalone financial statements of the Company, and these material weaknesses have affected our opinion on the standalone financial statements of the Company for the year ended on that date and we have issued a qualified opinion on the standalone financial statements.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls with reference to standalone financial statements as at March 31, 2023:

- a) Provisioning of expected credit loss against contract assets and receivables which are outstanding for a substantial period of time, which could potentially result in the Company not recognizing a provision for the said assets.

- b) Assessment of future taxable profits which could result in recognition of excess deferred tax asset which the Company may not be able to utilize for set-off against sufficient taxable profits.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance

regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For M S K A & Associates
Chartered Accountants**

ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner

Place: Chennai
Date: May 25, 2023

Membership No. 029409
UDIN: 23029409BGTMVJ4621

Standalone Balance Sheet as at March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at 31-Mar-2023	As at 31-Mar-2022
ASSETS			
Non-current assets			
Property, plant and equipment	6A	3,272.80	3,841.93
Right of Use Assets	6B	322.39	233.09
Intangible assets	7	27.96	32.00
Contract assets	8	7,351.90	3,956.02
Financial assets			
Investments	9	65.19	76.98
Loans	10	697.48	8,131.35
Trade Receivables	11	18,206.23	18,768.50
Other Financial Assets	12	1,030.50	1,081.79
Deferred Tax Assets (Net)	43	40,323.55	43,345.50
Income Tax Assets (Net)	14	1,549.37	1,412.38
Total Non-Current Assets		72,847.37	80,879.54
Current assets			
Contract Assets	15	73,246.59	79,708.74
Financial assets			
Trade receivables	16	24,241.10	28,057.27
Cash and cash equivalents	17	3,285.33	548.27
Other bank balances	18	1,730.33	2,387.49
Other Financial Assets	19	123.37	889.02
Other Current assets	20	10,642.13	11,698.56
Assets classified as held for sale	21	-	596.06
Total Current Assets		1,13,268.85	1,23,885.41
Total Assets		1,86,116.22	2,04,764.95
EQUITY AND LIABILITIES			
Equity			
Equity share capital	22	1,32,152.90	97,152.90
Other equity	23	(23,748.69)	(22,548.28)
Total Equity		1,08,404.21	74,604.62
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Lease Liabilities	6B	252.04	201.93
Borrowings	24	26,616.64	15,364.47

Standalone Balance Sheet as at March 31,2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at 31-Mar-2023	As at 31-Mar-2022
Other financial liabilities	25	4,024.26	4,465.38
Provisions	26	479.77	540.50
Contract Liabilities	27	2,078.30	2,202.91
Total Non-Current Liabilities		33,451.01	22,775.19
Current liabilities			
Financial liabilities			
Lease Liabilities	6B	98.45	36.60
Borrowings	28	13,966.58	82,462.97
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues other than micro enterprises and small enterprises	29	24,427.86	15,873.15
Other financial liabilities	30	1,621.56	1,885.00
Other current liabilities	31	445.95	688.87
Contract Liabilities	32	3,432.75	5,934.02
Provisions	33	267.85	504.53
Total Current Liabilities		44,261.00	1,07,385.14
Total Liabilities		77,712.01	1,30,160.33
Total Equity and Liabilities		1,86,116.22	2,04,764.95

Summary of significant accounting policies 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

SEPC Limited

CIN - L74210TN2000PLC045167

Geetha Jeyakumar

Partner

Membership No: 029409

N K Suryanarayanan

Managing Director & CEO

DIN: 01714066

R Ravichandran

Director

DIN: 01920603

Place: Chennai

Date: May 25, 2023

T.Sriraman

Company Secretary

Membership No:A68102

R S Chandrasekharan

Chief Financial Officer

Standalone Statement of Profit and Loss for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	34	37,884.66	30,278.64
Other income	35	1,209.30	895.41
Total income		39,093.96	31,174.05
Expenses			
Erection, Construction & Operation Expenses	36	31,852.15	24,866.50
Changes in inventories of finished goods, stock-in-trade and work-in-progress	37	-	248.20
Employee benefits expense	38	3,335.46	3,682.27
Finance costs	39	6,038.86	11,568.38
Depreciation and amortization expense	40	614.62	574.85
Other expenses	41	9,178.29	4,495.61
Total expenses		51,019.38	45,435.81
Loss before exceptional items and tax		(11,925.42)	(14,261.76)
Exceptional items- (income)/ expense	42	(13,815.13)	6,361.26
Profit /(Loss) before tax		1,889.71	(20,623.02)
Income tax expense			
Current tax		-	-
Deferred tax	43	3,021.95	4,278.00
Total income tax expense		3,021.95	4,278.00
Loss for the year		(1,132.24)	(24,901.02)

Standalone Statement of Profit and Loss for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (loss) on defined benefit plans (Net of Taxes)		(56.38)	15.61
Fair Value of Equity Instruments through OCI (Net of Taxes)		(11.79)	39.01
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other Comprehensive (loss) / Income for the year		(68.17)	54.62
Total Comprehensive Loss for the year		(1,200.41)	(24,846.40)
Earnings / (Loss) per share	44		
Basic earnings /(loss) per share (₹)		(0.09)	(2.56)
Diluted earnings /(loss) per share (₹)		(0.09)	(2.56)
Face value per equity share (₹)		10.00	10.00

Summary of significant accounting policies 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

SEPC Limited

CIN - L74210TN2000PLC045167

Geetha Jeyakumar

Partner

Membership No: 029409

N K Suryanarayanan

Managing Director & CEO

DIN: 01714066

R Ravichandran

Director

DIN: 01920603

Place: Chennai

Date: May 25, 2023

T.Sriraman

Company Secretary

Membership No:A68102

R S Chandrasekharan

Chief Financial Officer

Standalone Statement of changes in equity for the year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

(A) Equity share capital	As at 31-03-2023		As at 31-03-2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid				
Outstanding at the Beginning of the year	97,15,29,018	97,152.90	97,15,29,018	97,152.90
Add: Shares issued during the year	35,00,00,000	35,000.00	-	-
Outstanding at the End of the year	1,32,15,29,018	1,32,152.90	97,15,29,018	97,152.90

(B) Other equity

Particulars	Reserve and surplus				Components of Other Comprehensive Income		Total
	Securities premium account	General reserve	Capital reserve	Retained earnings	Re-measurement gains/ (losses) on defined benefit plans (Net of Tax)	Equity instruments through Other Comprehensive Income	
Balance as at April 01, 2021	1,91,225.43	561.93	12.92	(1,89,616.01)	144.35	(30.50)	2,298.12
Loss for the year	-	-	-	(24,901.02)	-	-	(24,901.02)
Other comprehensive income/ (loss)	-	-	-	-	15.61	39.01	54.62
Total other comprehensive income/ (loss) for the year	-	-	-	(24,901.02)	15.61	39.01	(24,846.40)
Balance as at April 01, 2022	1,91,225.43	561.93	12.92	(2,14,517.03)	159.96	8.51	(22,548.28)
Loss for the year	-	-	-	(1,132.24)	-	-	(1,132.24)
Other comprehensive income/ (loss)	-	-	-	-	(56.38)	(11.79)	(68.17)
Total other comprehensive income/ (loss) for the year	-	-	-	(1,132.24)	(56.38)	(11.79)	(1,200.41)
Balance as at March 31, 2023	1,91,225.43	561.93	12.92	(2,15,649.27)	103.58	(3.28)	(23,748.69)

Summary of significant accounting policies 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No: 029409

Place: Chennai

Date: May 25, 2023

For and on behalf of the Board of Directors of

SEPC Limited

CIN - L74210TN2000PLC045167

N K Suryanarayanan

Managing Director & CEO

DIN: 01714066

T.Sriraman

Company Secretary

Membership No:A68102

R Ravichandran

Director

DIN: 01920603

R S Chandrasekharan

Chief Financial Officer

Standalone Statement of cash flows for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	March 31,2023	March 31,2022
Cash flow from operating activities		
Profit / (Loss) before tax	1,889.71	(20,623.02)
Adjustments for:		
Depreciation and amortization expenses	614.62	574.85
Provision for Gratuity	76.34	124.63
Provision for Compensated Absences	(158.56)	150.81
Provision for Doubtful Trade Receivable & Contract Assets	5,690.78	1,831.49
Contract assets & Bad debts written off	4,453.20	103.35
Finance cost	6,038.86	12,530.97
Interest income	(312.71)	(856.49)
Fair value gain on loan as per IND AS 109	(613.58)	-
Liabilities written back	(119.80)	(38.92)
Loss on sale of fixed asset	336.27	-
Gain on debt restructuring	(19,634.82)	-
Impairment loss allowance on contract assets and receivables	5,819.69	6,361.25
Operating Profit / (Loss) before working capital changes	4,080.00	158.92
Changes in working capital		
Increase/(Decrease) in trade payables	8,233.40	(6,699.48)
Decrease in inventories	-	248.20
(Increase)/Decrease in trade receivables	3,654.64	5,074.86
Decrease in loans and advances	(0.00)	2,781.95
(Decrease) in other Current liabilities	(242.92)	(852.78)
(Decrease) in contract liabilities	(2,625.88)	(4,821.53)
(Decrease) in Short Term provisions	(134.50)	(56.31)
(Decrease)/ Increase in Long Term provisions	(137.07)	(143.65)
Increase / (Decrease) in other financial liabilities	(263.44)	323.93
Decrease in other financial assets	804.96	46.73
Decrease in other current assets	1,056.44	2,246.86
(Increase)/ Decrease in Contract Assets	(12,173.61)	(3,386.58)
Cash (used in) / from operations	2,252.02	(5,078.88)
Income tax paid	(137.00)	(1,915.20)
Net cash (used in) / from operating activities (A)	2,115.02	(6,994.08)
Cash flow from Investing activities		
Payment for property, plant and equipment and intangible assets	(13.91)	14.89
Movement in Bank balances not considered as Cash and cash equivalents (Net)	657.16	(479.39)
Proceeds from sale/ disposal of fixed assets	292.15	
Interest received	312.71	578.52
Net cash flow from investing activities (B)	1,248.11	114.02

Particulars	March 31,2023	March 31,2022
Cash flow from Financing activities		
Proceeds from issue of capital	35,000.00	-
Proceeds from Short term borrowings (net)	359.20	6,839.26
Proceeds from Long term borrowings	16,488.98	-
Repayment of short term borrowings	(48,247.99)	-
Interest and Finance Charges Paid	(4,168.06)	-
Repayment of finance lease obligation	(58.19)	(36.60)
Net cash flow (used in) / from financing activities (C)	(626.07)	6,802.66
Net increase in cash and cash equivalents (A+B+C)	2,737.06	(77.41)
Cash and cash equivalents at the beginning of the year	548.27	625.68
Cash and cash equivalents at the end of the year	3,285.33	548.27
Cash and cash equivalents comprise		
Cash and cash equivalents as per Balance Sheet	5,015.66	2,935.76
Less: Bank balances not considered as Cash and cash equivalents as defined in Ind-AS 7 Cash Flow Statements	1,730.33	2,387.49
	3,285.33	548.27

Summary of significant accounting policies 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

SEPC Limited

CIN - L74210TN2000PLC045167

Geetha Jeyakumar

Partner

Membership No: 029409

N K Suryanarayanan

Managing Director & CEO

DIN: 01714066

R Ravichandran

Director

DIN: 01920603

Place: Chennai

Date: May 25, 2023

T.Sriraman

Company Secretary

Membership No:A68102

R S Chandrasekharan

Chief Financial Officer

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

(Amount in ₹ lakhs, unless otherwise stated)

1 General Information

SEPC Limited (the "Company" or "SEPC") has diverse interests across Project Engineering & Construction. The company provides end-to-end solutions to engineering challenges, offering multi disciplinary design, engineering, procurement, construction and project management services. SEPC is focused on providing turnkey solutions for ferrous & non ferrous, cement, aluminum, copper and thermal power plants, water treatment & transmission, renewable energy, cooling towers & material handling.

The Company along with the Joint operators enters into contracts with the customers for execution of the projects. The Company's share as per such contracts is listed below. However, the Company as a Joint operator, recognises assets, liabilities, income and expenditure held/incurred jointly with other partners in proportion to its interest in such joint arrangements in compliance with applicable accounting standards taking into account the related rights and obligations applicable in the respective jointly controlled operations.

Joint operators	% of SEPC's Share
Larsen & Toubro limited shriram EPC JV	10%
Shriram EPC Eurotech Environment Pvt Ltd - JV*	100%
SEPC DRS ITPL JV*	100%
Mokul Shriram EPC JV*	50%

*Unincorporated Joint Ventures

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

The financial statements have been prepared using significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements

(a) Statement of Compliance with Ind AS

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the

Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financial statements have been approved for issue by the Board of Directors at its meeting held on May 25, 2023

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except certain financial assets and liabilities measured at fair value (Refer Accounting Policy No. 2.15 on financial instruments).

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The normal operating cycle of the entity for Construction contracts is the duration of 2 to 3 years depending on each contract.

(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees in Lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013.

(d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based

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

(Amount in ₹ lakhs, unless otherwise stated)

upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, fair value measurement, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.. Refer Note 3 for detailed discussion on estimates and judgments.

(e) Interests in Joint Operations

When the Company has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as joint operations. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Company recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Holding Company and its subsidiaries are combined for consolidation.

2.2 Property, plant and equipment (PPE)

Property, plant and equipment is recognised when 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. PPE are stated at original cost net of taxes/duty credits availed, if any less accumulated depreciation and cumulative impairment, if any. PPE acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when 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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and

maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Useful Life
Leasehold improvement*	Lease period or life of asset whichever is lower
Buildings	30 years
Plant & Machinery	2 to 20 years
Furniture and fixtures & Electrical Installations	10 years
Office equipment	5 years
Vehicles	5 to 10 years
Computers	
- Servers	6 years
- End user devices such as laptops, desktops	3 years

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

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

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Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate. Freehold land is not depreciated.

2.3 Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost, net of tax/duty credits availed, if any less accumulated amortization and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to the acquisition of intangible assets are allocated and capitalized as part of cost of the intangible asset.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful life
Technical know how	5 to 10 years
Computer Software	5 years

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and Intangible Assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and Intangible Assets are tested for impairment, so as to determine the impairment loss, if any. Goodwill and Intangible Assets with indefinite life are tested for impairment each year.

2.4 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

"On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the

transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated."

2.5 Fair value measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS and certain items of property, plant and equipment that were revalued in earlier years in accordance with the I-GAAP principles. The carrying value of all the items of property, plant and equipment as on date of transition is considered as the deemed cost.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company."

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement.

"Fair value measurements under Ind AS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;

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

(Amount in ₹ lakhs, unless otherwise stated)

- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets/liabilities”

2.6 Revenue Recognition

A. The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price. Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit and Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfill a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion

of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

B. Revenue from construction contracts/project related activity and contracts for supply/commissioning of complex plant and equipment is recognised as follows:

Fixed price contracts: Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to condition that it is probable the such cost will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to date, to the total estimated contracts cost.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

- (i) The amount of revenue can be measured reliably;
- (ii) It is probable that the economic benefits associated with the contract will flow to the company;
- (iii) The stage of completion of the contract at the end of the reporting period can be measured reliably; and
- (iv) The costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognised profits (or recognised losses, as the case may be), the surplus is shown as the amount due to customers. Amounts received before the related work is performed are disclosed in the Balance sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance sheet

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as trade receivables. The amount of retention money due from customers within the next twelve months are classified under other current assets as Trade Receivable.

Revenue from contracts from rendering engineering design services and other services which are directly related to construction of an asset is recognised on the same basis as stated in (B) above.

Other Operational Revenue

Other Operational Revenue represents income earned from activities incidental to the business and is recognized when the right to receive income is established as per the terms of contract.

Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend income is accounted in the period in which the right to receive the same is established.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

2.7 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The company has not opted to exercise the option under section 115BAA of the income tax 1961, as introduced by the taxation laws (Amendment) ordinance, 2019 and decided to continue with the existing rate of tax for the purpose of deferred tax computation.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.8 Leases

The Indian accounting standard on lease (Ind AS 116) requires entity to determine whether a contract is or contains a lease at inception of the contract. Ind AS 116 requires lessee to recognise a liability to make lease payments and an asset representing the right-of-use asset during the lease term for all leases except for short term leases and leases of low-value assets, if they choose to apply such exemptions

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

(Amount in ₹ lakhs, unless otherwise stated)

Payments associated with short-term leases and low value assets are recognized as expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less. At the commencement date, Company recognise a right-of-use asset measured at cost and a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate

The cost of the right-of-use asset comprised of, the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received

At the commencement date, the lease payments included in the measurement of the lease liability comprise (a) fixed payments less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (c) amounts expected to be payable by the lessee under residual value guarantees; (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Depreciation on Right-of-use asset is recognised in statement of profit and Loss on a straight line basis over the period of lease and the Company separately recognises interest on lease liability as a component of finance cost in statement of Profit and Loss.

2.9 Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

2.10 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax 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 recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

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Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

2.12 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) uncalled liability on shares and other investments partly paid;
- c) funding related commitment to subsidiary, associate and joint venture companies; and
- d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.13 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand, cheques in transit and demand deposits with banks.

For the purposes of the cash flow statement, Cash and Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value."

2.14 Statement of Cash Flows:

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of :

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- iii. all other items for which the cash effects are investing or financing cash flows.

2.15 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) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows."

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement

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

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of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

The company has currently exercised the irrevocable option to present in Other comprehensive Income, subsequent changes in the Fair value of Equity Instruments. Such an election has been made on instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

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 shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial

instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet, ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized."

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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

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Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the

Company or the counterparty.

2.16 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

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Compensated Absences:
Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

2.17 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted

for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.19 Inventory- (Contract Work in progress)

Contract Work in progress are valued at cost or net realisable value, whichever is lower. Cost comprises all direct development expenditure.

2.20 Non-Current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

4 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances

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

(Amount in ₹ lakhs, unless otherwise stated)

arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

(c) Construction Contracts

Recognizing construction contract revenue requires significant judgement in determining actual work performed and the estimated costs to complete the work, provision for rectification costs, variation claims etc

(d) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the

probability that future taxable income will be available against which the deductible temporary differences and tax loss carryforwards can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

5 Standards (including amendments) issued but not yet effective

Recent Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors –

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

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

(Amount in ₹ lakhs, unless otherwise stated)

6A Property, plant and equipment - Current Year

Block of Assets	Gross block				Depreciation				Net block	
	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at April 01, 2022	For the year	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Owned assets										
Freehold land	241.50	-	-	241.50	-	-	-	-	241.50	241.50
Leasehold Improvements	350.15	-	-	350.15	197.29	18.56	-	215.85	134.30	152.86
Buildings	146.86	-	-	146.86	70.61	20.46	-	91.07	55.79	76.25
Plant and Machinery	5,577.72	8.12	369.07	5,216.77	2,283.98	482.31	332.70	2,433.59	2,783.18	3,293.74
Furniture and Fixtures	60.56	-	-	60.56	43.73	5.19	-	48.92	11.64	16.84
Office Equipment	12.30	-	-	12.30	11.46	0.65	-	12.11	0.19	0.84
Computers	90.93	5.79	2.98	93.74	45.71	14.36	2.98	57.09	36.65	45.22
Vehicle	51.75	-	39.96	11.79	37.06	5.28	40.10	2.24	9.55	14.69
Total	6,531.77	13.91	412.01	6,133.67	2,689.84	546.81	375.78	2,860.87	3,272.80	3,841.93

Property, plant and equipment - Previous Year

Block of Assets	Gross block				Depreciation				Net block	
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at April 01, 2021	For the year	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Owned assets										
Freehold land	241.50	-	-	241.50	-	-	-	-	241.50	241.50
Leasehold Improvements	350.15	-	-	350.15	190.01	7.28	-	197.29	152.86	160.14
Buildings	146.86	-	-	146.86	25.96	44.65	-	70.61	76.25	120.90
Plant and Machinery	5,750.29	-	172.57	5,577.72	1,996.75	459.74	172.50	2,283.98	3,293.74	3,753.54
Furniture and Fixtures	60.56	-	-	60.56	37.27	6.46	-	43.73	16.84	23.29
Office Equipment	12.30	-	-	12.30	10.81	0.65	-	11.46	0.84	1.49
Computers	171.11	14.97	95.15	90.93	124.25	16.61	95.15	45.71	45.21	46.86
Vehicle	51.75	-	-	51.75	31.39	5.67	-	37.06	14.69	20.36
Total	6,784.52	14.97	267.72	6,531.77	2,416.44	541.05	267.65	2,689.84	3,841.93	4,368.08

No Property, plant and equipment has been revalued

Refer Note no 24 for Property, Plant and Equipment pledged as security in respect of borrowings

6B The details of the right-of-use asset held by the Company is as follows:

Particulars	Building	Total
Balance as at April 01, 2021	-	-
Additions	262.85	262.85
Deletion	-	-
Depreciation	(29.76)	(29.76)
Balance as at March 31, 2022	233.09	233.09
Additions	153.07	153.07
Deletion	-	-
Depreciation	(63.77)	(63.77)
Balance as at March 31, 2023	322.39	322.39

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

(Amount in ₹ lakhs, unless otherwise stated)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	Building	Total
Balance as at April 01, 2021	-	-
Additions	252.00	252.00
Interest expense	23.13	23.13
Lease payments	(36.60)	(36.60)
Balance as at March 31, 2022	238.53	238.53
Additions	141.09	141.09
Interest expense	29.06	29.06
Lease payments	(58.19)	(58.19)
Balance as at March 31, 2023	350.49	350.49

Breakup of current and non-current lease liabilities

Particulars	31-Mar-23	31-Mar-22
Current lease liabilities	98.45	36.60
Non-current lease liabilities	252.04	201.93

7 Intangible assets - Current Year

Block of Assets	Gross block				Depreciation				Net block	
	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at April 01, 2022	For the year	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Computer Software	43.12	-	-	43.12	23.33	1.79	-	25.12	18.00	19.79
Technical Knowhow	54.22	-	-	54.22	42.01	2.25	-	44.26	9.96	12.21
Total	97.34	-	-	97.34	65.34	4.04	-	69.38	27.96	32.00

Intangible assets - Previous Year

Block of Assets	Gross block				Depreciation				Net block	
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at April 01, 2021	For the year	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Computer Software	43.12	-	-	43.12	21.54	1.79	-	23.33	19.79	21.58
Technical Knowhow	54.22	-	-	54.22	39.76	2.25	-	42.01	12.21	14.46
Total	97.34	-	-	97.34	61.30	4.04	-	65.34	32.00	36.04

8 Contract Assets (Non current)	As at 31 March 2023	As at 31 March 2022
Contract Assets (Refer 8.1 below)	8,278.88	4,883.00
Less: Provision for Expected Credit Loss	(926.98)	(926.98)
Total	7,351.90	3,956.02

8.1 Contract asset(Non- Current) includes Rs. 7351.90 lakhs(net of provisions amounting to Rs. 926.98 lakhs)(March 31, 2022, Rs.3,956.02 lakhs) from projects which are stalled due to delays in statutory approvals faced by the customer. Considering the ongoing negotiations with the customers' ,Management is confident of recovering the dues in full.

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

(Amount in ₹ lakhs, unless otherwise stated)

9 Financial Assets- Investments (Non Current)	As at 31 March 2023	As at 31 March 2022
Investment in equity instruments (fully paid-up)		
A Investment in wholly owned Subsidiary carried at cost		
1 Equity share (Previous year: 1 Equity share) of 150,000 AED in Shriram EPC (FZE)	24.26	24.26
B Investment in Others - Equity investments at fair value through other comprehensive income (FVOCI) Quoted		
386,526 Equity Shares (Previous year: 386,526 Equity Shares) of ₹ 10/- each fully paid up in Orient Green Power Company Limited	40.93	52.72
Unquoted		
4,076,474 Equity shares (Previous year: 4,076,474 Equity Shares) of ₹ 10/- each fully paid up in Leitwind Shriram Manufacturing Private Limited	407.56	407.56
Less: Provision for Diminution in value of Investments	(407.56)	(407.56)
	40.93	52.72
Total (A+B)	65.19	76.98
Aggregate book value of:		
Quoted investments	40.93	52.72
Unquoted investments	24.26	24.26
Aggregate Market value of:		
Quoted investments	40.93	52.72
Unquoted investments	24.26	24.26
Aggregate amount of impairment in value of Investments	407.56	407.56

10 Financial assets - Loans (Non current)	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
- Considered Good	10,968.55	18,402.42
- Considered doubtful	306.10	306.10
Less: Provision made	(306.10)	(306.10)
Net amount	10,968.55	18,402.42
Less: Provision for Expected Credit Loss	(10,271.07)	(10,271.07)
Total	697.48	8,131.35

10.1 Loans includes due from:	As at 31 March 2023	As at 31 March 2022
i) Related Parties:		
Leitwind Shriram Manufacturing Private Limited- Rs. Nil (Net of provision of expected credit loss Rs. 9,141.70 Lakhs), Previous year: March 31, 2022 -Rs.477.77 Lakhs (Net of provision of Rs. 9,141.70 lakhs) Refer 10.2 below	-	477.77

10.2 Financial Assets Loans (Non Current) include Rs. NIL (March 31, 2022: Rs. 477.77 Lakhs) due from Leitwind Shriram Manufacturing Pvt Limited (LSML) (a related party). During the year loans amounting to Rs. 7,433.87 Lakhs has been taken over by SVL Limited (Erstwhile entity exercising significant influence over the Company). Also refer to Note 48

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

(Amount in ₹ lakhs, unless otherwise stated)

11 Trade Receivables - (Non current)	As at 31 March 2023	As at 31 March 2022
Trade Receivables - Retention Money		
Considered Good	18,086.74	18,768.50
Considered doubtful	2,680.19	2,267.44
Less: Provision for expected credit loss	(2,680.19)	(2,267.44)
	18,086.74	18,768.50
Trade Receivables		
Considered Good (Refer note 11.1 below)	119.49	
Considered doubtful	322.16	301.79
Less: Provision for expected credit loss	(322.16)	(301.79)
	119.49	-
Total	18,206.23	18,768.50

11.1 Trade receivable (Non – Current) includes an amount of Rs. 575.21 lakhs (net of Provisions amounting to Rs. 82.99 lakhs) from projects which are stalled due to delays in statutory approvals faced by the customer. Considering the ongoing negotiations with the customers' Management is confident of recovering the dues in full.

11A Trade receivables -Non Current-ageing schedule

31-03-2023

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	16,386.49	-	-	-	-	-	16,386.49
- Credit impaired	-	-	-	-	-	2,011.45	2,011.45
	16,386.49	-	-	-	-	2,011.45	18,397.94
Less: Credit impaired							(2,011.45)
Sub total (a)							16,386.49
Disputed							
- Considered good	1,700.25	-	-	-	-	119.49	1,819.74
- Credit impaired	-	-	-	-	-	990.90	990.90
	1,700.25	-	-	-	-	1,110.39	2,810.64
Less: Credit impaired							(990.90)
Sub total (b)	1,700.25	-	-	-	-	1,110.39	1,819.74
Total (a) + (b)							18,206.23

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

(Amount in ₹ lakhs, unless otherwise stated)

31-03-2022

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	16,810.77	-	-	-	-	-	16,810.77
- Credit impaired	-	-	283.83	-	-	1,294.49	1,578.32
	16,810.77	-	283.83	-	-	1,294.49	18,389.09
Less: Credit impaired							(1,578.32)
Sub total (a)							16,810.77
Disputed							
- Considered good	1,957.74	-	-	-	-	-	1,957.74
- Credit impaired	-	-	-	-	-	990.90	990.90
	1,957.74	-	-	-	-	990.90	2,948.64
Less: Credit impaired						990.90	(990.90)
Sub total (b)	1,957.74	-	-	-	-	-	1,957.74
Total (a) + (b)							18,768.51

12 Other financial assets (Non current)	As at 31 March 2023	As at 31 March 2022
Deposits	1,163.36	1,173.27
Less: Provision for Expected Credit Losses	(132.86)	(132.86)
Deposit accounts with maturity for more than twelve months from the balance sheet date	-	41.38
	1,030.50	1,081.79

13 Deferred Tax Assets (Net)	As at 31 March 2023	As at 31 March 2022
Deferred Tax Assets (Net) (refer Note 43)	40,323.75	43,345.50
	40,323.75	43,345.50

14 Income Tax Assets (Net)	As at 31 March 2023	As at 31 March 2022
Advance Tax & Tax deducted at source (Net of Provision for Tax (March 31,2023 ₹ 5,540.74 lakhs (March 31, 2022 ₹ 5,540.74 lakhs))	1,549.37	1,412.38
Total	1,549.37	1,412.38

15 Contract assets	As at 31 March 2023	As at 31 March 2022
Contract Assets (Refer Note 15.1 & Note 42)	78,215.17	83,029.75
Less: Provision for Expected Credit Loss	(4,968.58)	(3,321.01)
Total	73,246.59	79,708.74

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

(Amount in ₹ lakhs, unless otherwise stated)

15.1 The above Contract Assets includes materials at project site amounting to Rs. 22,651.00 lakhs (Previous year March 31, 2022 Rs. 25,512.38 lakhs)

15.2 Movement in loss allowance is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	3,321.01	910.95
Additions / Transfer	4,968.58	2,410.06
Utilizations / Reversals	(3,321.01)	-
Closing balance	4,968.58	3,321.01

16 Trade receivables	As at 31 March 2023	As at 31 March 2022
Unsecured		
-Considered good	16,987.40	20,374.59
-Considered doubtful	9,301.61	9,075.87
Less: Provision for doubtful debts	(9,301.61)	(9,075.87)
Trade Receivable - Retention monies		
-Considered good	7,253.70	7,682.68
-Considered doubtful	63.33	-
Less: Provision for doubtful debts	(63.33)	-
Net	24,241.10	28,057.27

16.1 The average credit period allowed to customers is between 30 days to 60 days. The credit period is considered from the date of Invoice. Further, a specified amount of bill is held back by the customer as retention money, which is payable as per the credit period, from the date such retention becomes due. The retention monies held by customers become payable on completion of a specified milestone or after the Defect Liability Period of the project, which is normally 1 year after the completion of the project, as per terms of respective contract. No Interest is payable by the customers for the delay in payments of the amounts over due. The Company evaluates, the financial health, market reputation, credit rating of the customer, before entering into the contract. The company's customers comprise of public sector undertakings as well as private entities.

16.2 Trade receivable include due from related parties amounting to Rs.5,170.48 Lakhs (March 31, 2022- 5,870.48 Lakhs) Refer Note 48 C)

Trade receivables ageing schedule

31-03-2023

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	4,590.99	2,361.98	261.66	3,105.67	5,047.25	7,410.01	22,777.56
- Credit impaired	-	-	-	1,837.12	-	7,120.32	8,957.44
	4,590.99	2,361.98	261.66	4,942.79	5,047.25	14,530.33	31,735.00
Less: Credit impaired							(8,957.44)
Sub total (a)							22,777.56

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

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Disputed							
- Considered good	-	-	1,396.44	-	3.36	63.74	1,463.54
- Credit impaired	-	-	267.29	-	-	140.21	407.50
	-	-	1,663.73	-	3.36	203.95	1,871.04
Less: Credit impaired							(407.50)
Sub total (b)							1,463.54
Total (a) + (b)							24,241.10

31-03-2022

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	4,385.20	2,464.46	2,588.29	8,150.74	2,572.53	5,329.30	25,490.52
- Credit impaired	-	-	1,837.12	-	-	6,894.15	8,731.27
	4,385.20	2,464.46	4,425.41	8,150.74	2,572.53	12,223.45	34,221.79
Less: Credit impaired							(8,731.27)
Sub total (a)							25,490.52
Disputed							
- Considered good	-	1,396.44	-	1,038.05	-	132.26	2,566.75
- Credit impaired	-	267.29	-	-	-	77.32	344.61
	-	1,663.73	-	1,038.05	-	209.58	2,911.36
Less: Credit impaired							(344.61)
Sub total (b)							2,566.75
Total (a) + (b)							28,057.27

Notes:

Movement in loss allowance is as follows: (Trade receivables- current and non current)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	11,645.10	8,492.95
Additions / Transfer	722.19	3,152.15
Utilizations / Reversals	-	-
Closing balance	12,367.29	11,645.10

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

(Amount in ₹ lakhs, unless otherwise stated)

17 Cash and bank balances	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
Balances with banks		
In current accounts	2,364.49	471.94
Margin Money (Original Maturity of less than 3 Months)	920.40	75.75
Cash on hand	0.44	0.58
Total	3,285.33	548.27

18 Other Bank Balances	As at 31 March 2023	As at 31 March 2022
Deposit Account (Original Maturity of 3 Months to 12 Months)	223.72	224.88
Margin Money (Original Maturity of More than 3 Months to 12 Months)	1,506.61	2,162.61
Total	1,730.33	2,387.49

19 Other Current Financial assets	As at 31 March 2023	As at 31 March 2022
Security deposit	100.55	68.94
Interest Receivable	22.82	820.07
Total	123.37	889.02

20 Other current assets	As at 31 March 2023	As at 31 March 2022
Advances to Employees	45.09	62.75
Balance with Government Authorities	4,794.70	4,303.42
Prepaid Expenses	35.85	21.28
Other Advances	11.24	440.88
Advances to Suppliers		
- Considered good	5,755.25	6,870.23
- Considered doubtful	1,640.30	1,640.30
Less : Provision for doubtful Advances	(1,640.30)	(1,640.30)
	5,755.25	6,870.23
Total	10,642.13	11,698.56

21 Assets classified as held for sale	As at 31 March 2023	As at 31 March 2022
Asset held for Sale	-	596.06
Total	-	596.06

Assets held for sale represents the assets taken over from Afcons Infrastructure Limited (AIL) pursuant to a mutual agreement between AIL, Valecha Engineering Limited (VEL) and the Company in settlement of dues receivable from VEL Ltd.

Disclosure pursuant to Ind AS 105 - Major classes of assets and liabilities classified as held for sale:	As at 31 March 2023	As at 31 March 2022
Property, Plant and Equipment	-	596.06

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

(Amount in ₹ lakhs, unless otherwise stated)

22 A. Equity Share capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorized	1,40,000.00	1,40,000.00
1,40,000,000 (31 March 2022 1,40,000,000,) Equity Shares of ₹ 10 each	1,40,000.00	1,40,000.00
Issued, subscribed and paid up		
1,321,529,018 (31 March 2022: 971,529,018) Equity shares of ₹ 10 each fully paid	1,32,152.90	97,152.90
	1,32,152.90	97,152.90

B. Preference Share capital

The Company has preference share capital having a par value of ₹ 100 per share, referred to herein as preference share capital

	As at 31 March 2023	As at 31 March 2022
Authorized		
30,000,000 (31 March 2022: 30,000,000) Convertible Preference Shares of ₹ 100 each	30,000.00	30,000.00
Total	30,000.00	30,000.00

(a) Reconciliation of Equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2023	As at 31 March 2022
	No of shares	No of shares
Outstanding at the beginning of the year	97,15,29,018	97,15,29,018
Add: Issued during the year	35,00,00,000	-
Outstanding at the end of the year	1,32,15,29,018	97,15,29,018

(b) Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
	No of shares	% holding	No of shares	% holding
Equity Shares				
Mark AB Capital Investments LLC	35,00,00,000	26.48	-	-
SVL Limited (Refer Note (c) Below)	21,35,41,894	16.16	27,93,91,356	28.76
State Bank of India	12,56,34,843	9.51	12,56,34,843	12.93
Punjab National Bank	10,18,10,880	7.70	10,22,35,172	10.52
Central Bank of India	9,35,70,276	7.08	9,35,70,276	9.63

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

(Amount in ₹ lakhs, unless otherwise stated)

(c) Details of shares held by Promoters

Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
	No of shares	% holding	No of shares	% holding
Mark AB Capital Investments LLC	35,00,00,000	26.48	-	-
Mark AB Welfare Trust	6,07,49,462	4.60	-	-
SVL Limited*	-	-	27,93,91,356	28.76

*The stock exchanges vide their letters dated February 02, 2023 has approved Mark AB Capital Investment LLC, Dubai as promoters and SVL Limited has been reclassified under Public holding with effect from February 03, 2023.

(d) Terms/rights attached to the shares

The Company has issued equity shares having a par value of ₹ 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting rights.

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.

The Company has only one class of share capital, i.e., equity shares having face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

(e) Preferential issue of equity shares during past five years:

Particulars	2017-18			
	No.shares	Face value of Rs.10/-	Premium	Total
KPR Investment private limited	1,29,19,896	1,292	2,208.01	3,500.00
Lender Bank- Conversion of funded interest term Loan (FITL)	10,193	1	2.34	3.36
Lender bank - Conversion of Interest sacrifice	24,03,425	240	722.23	962.57
Lender Bank- Conversion of Working capital term Loan (WCTL)	1,92,27,563	1,923	2,547.65	4,470.41

There is no Preferential issue of Equity during the year ended March 31, 2019, March 31, 2020, March 31, 2021 & March 31, 2022

Preferential issue of equity shares during the current year (2022-23):

Particulars	2022-23			
	No.shares	Face value of Rs.10/-	Premium	Total
Mark AB Capital Investments LLC	35,00,00,000	35,000	-	35,000

f) The Resolution Plan (RP) was implemented by the Company and Lenders, upon completion of compliance of all conditions precedent to the satisfaction of the consortium lenders and RP was effective from September 30, 2022, with change in Management as per the RP formulated under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 vide its circular dated June 07, 2019 ("the RBI Circular" / "Regulatory Framework"). Consequent to the implementation of resolution plan, Mark AB Capital Investment LLC, Dubai acquired 26.48% in equity of the Company.

During the year ended March 31, 2023, pursuant to the Resolution Plan, Company has received Rs. 35,000 Lakhs of equity and has allotted 35,00,00,000 equity shares of Rs. 10 each on preferential basis to Mark AB Capital Investment LLC, Dubai and shall be subject to lock-in for such period as may be prescribed under the ICDR Regulations. As at September 30, 2022 the Company has utilized the entire proceeds towards the intended purpose. The paid-up equity capital of the Company as on date is Rs. 1,32,152.90 Lakhs - divided into 1,32,15,29,018 equity shares of Rs.10/- each.

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

(Amount in ₹ lakhs, unless otherwise stated)

During the Year ended March 31, 2023, pursuant to the Resolution Plan, Company has issued 1,75,00,000 Compulsorily Convertible Debentures(CCD) of Rs. 100/- each and 1,75,00,000 Non-Convertible Debenture(NCD) of Rs. 100/- each aggregating to Rs. 35,000 Lakhs by way of conversion of existing loans of lenders. (Refer Note no 24.2)

23 Other equity

(A) Other equity	As at 31 March 2023	As at 31 March 2022
Securities premium reserve (Refer Note (i) below)	1,91,225.43	1,91,225.43
General reserve (Refer Note (ii) below)	561.93	561.93
Capital Reserve (Refer Note (iii) below)	12.92	12.92
Deficit in the Statement of Profit and Loss(Refer Note (iv) below)	(2,15,649.27)	(2,14,517.03)
Re-measurement gains/ (losses) on defined benefit plans (Net of Tax)	103.58	159.96
Investments FVTOCI Reserve on equity instruments	(3.28)	8.51
Total	(23,748.69)	(22,548.28)

(i) Securities premium reserve	As at 31 March 2023	As at 31 March 2022
Opening balance	1,91,225.43	1,91,225.43
Add : Securities premium credited on issue of shares		
Closing balance	1,91,225.43	1,91,225.43

(ii) General reserve	As at 31 March 2023	As at 31 March 2022
Opening balance	561.93	561.93
Additions/(Transfers)		-
Closing balance	561.93	561.93

(iii) Capital Reserve	As at 31 March 2023	As at 31 March 2022
Opening balance	12.92	12.92
Additions/(Transfers)		-
Closing balance	12.92	12.92

(iv) Deficit in the Statement of Profit and Loss	As at 31 March 2023	As at 31 March 2022
Opening balance	(2,14,517.03)	(1,89,616.01)
Add: Net loss for the year	(1,132.24)	(24,901.02)
Closing balance	(2,15,649.27)	(2,14,517.03)

(v) Investments FVTOCI Reserve on equity instruments	As at 31 March 2023	As at 31 March 2022
Opening balance	8.51	(30.50)
-Fair valuation changes for the year (net of tax)	(11.79)	39.01
Closing balance	(3.28)	8.51

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

(Amount in ₹ lakhs, unless otherwise stated)

(vi) Re-measurement (gain)/loss on post employment benefit obligation (net of tax)	As at 31 March 2023	As at 31 March 2022
Opening Balance	159.96	144.35
Additions	(56.38)	15.61
Closing Balance	103.58	159.96

Nature and Purpose of Reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

General Reserve

The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

Capital reserve

Capital reserve was created under the previous GAAP out of the profit earned from a specific transaction of capital nature. Capital reserve is not available for the distribution to the shareholders.

24 Borrowings -Non-current (Secured, unless otherwise stated)	As at 31 March 2023	As at 31 March 2022
Secured - At Amortized Cost		
From Banks		
Term Loans	1,397.99	6,291.99
Non Convertible debentures(NCD) (Refer note 24.2 below)	9,288.02	-
Compulsorily Convertible Debentures(CCD) (Refer note 24.2 below)	9,178.93	-
From Others		
Term Loans	799.98	8,512.45
Working Capital Term Loans	-	560.03
Non Convertible debentures(NCD) (Refer note 24.2 below)	2,846.72	-
Compulsorily Convertible Debentures(CCD) (Refer note 24.2 below)	2,805.80	-
Unsecured Loan (Refer note 24.3 below)	299.20	-
Total	26,616.64	15,364.47

24.1 Terms of Repayment and Security details

S.No	31-Mar-23	31-Mar-22	Terms of Repayment
Term Loans from Banks*	-	1,198.00	4 Structured yearly payments commencing from April 2023 to March 2027
Term Loans from Banks**	1,397.99	5,093.99	27 Structured Quarterly repayment commencing from Jun 2018 to September 2025
Non Convertible debentures (NCD) from Banks**	9,288.02	-	26 Structured Half yearly repayment commencing from October 2022 to March 2035
Compulsorily Convertible Debentures(CCD) from Banks**	9,178.93	-	Fully Convertible on 31st March 2035

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

(Amount in ₹ lakhs, unless otherwise stated)

S.No	31-Mar-23	31-Mar-22	Terms of Repayment
Term Loans from Others**	140.00	3,214.61	48 Structured Monthly repayment commencing from April 2023 till March 2027
Term Loans from Others**	659.98	5,857.87	4 Equal yearly repayment commencing from September 2027 to March 2029
Non Convertible debentures(NCD) from Others**	2,846.72	-	26 Structured Half yearly repayment commencing from October 2022 to March 2035
Compulsorily Convertible Debentures(CCD) from Others**	2,805.80	-	Fully Convertible on 31st March 2035
Unsecured loan	299.20	-	Bullet repayment on 31-Dec-2035. The loan carries interest rate at 0.10% p.a payable half yearly from March 2023 till December 2035
Total	26,616.64	15,364.47	

Security

*Primary Exclusive charge on 5 Wind Electric Generator of 1.5 MW

**First Paripassu charge on Pooled Assets ie., all movable (both fixed, current and non-current) Immovable assets of the company and Corporate Guarantee of MARK AB LLC Dubai, Mark AB Capital Investments India Private Limited ,SVL Ltd and SVL Trust.However, the Corporate Guarantees of SVL Ltd and SVL Trust shall be released after 18 months from the date of RP , if there is no default for a consecutive period of 12 months as defined in RBI Circular dated 7th June 2019.

24.2 Implementation of Resolution Plan

The Company submitted a debt resolution plan to the lenders for restructuring of the debt ("Resolution Plan") under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 issued by Reserve Bank of India vide its circular dated June 7, 2019 (the "RBI Circular"), which was approved by the consortium lenders and implemented on 30th September 2022.

The key features of the Resolution Plan are as follows:

1. Equity Infusion by Prospective Investor – Minimum of Rs. 35,000 Lakhs. Preferential Issue of Equity Shares subject to the pricing as per the SEBI (ICDR) Regulations 2015 to the Investor for 26.48% stake in the Company.
2. Conversion of a part of the existing bank debts into Rs. 17,500 Lakhs of Non-Convertible Debentures (NCD) and Rs. 17,500 Lakhs of Compulsory Convertible Debenture (CCD).
3. Charging rate of interest on the CC facility @ 9.00% p.a. (1 year MCLR + 1.75%) w.e.f 1st October 2020.
4. Banks to allow utilization of vacancy in Non-Fund Based Facilities and Fund based limits already sanctioned and available to the Company, post implementation of the plan.
5. Prospective Investor to provide Corporate Guarantee to lenders for entire facilities in lie of Corporate Guarantees of SVL Ltd and SVL Trust. However, the Corporate Guarantees of SVL Ltd and SVL Trust shall be released after 18 months from the date of RP , if there is no default for a consecutive period of 12 months as defined in RBI Circular dated 7th June 2019.
6. Continuation of Margin of 15% on stock and book debts and cover period of 270 days for receivable.

The Company has accounted for the CCD and NCD as per IND AS 109- Financial Instruments

The CCD and NCD have been classified as financial liability as there is contractual obligation to deliver cash over a period of 14 years in terms of repayment of principal and interest. CCD and NCD are initially recognised at amortised cost using the

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

(Amount in ₹ lakhs, unless otherwise stated)

effective interest method at 9.00%. The resultant gain or loss at initial recognition is recognised as exceptional gain in the statement of profit and loss. (Also refer Note no 42)

The Company has defaulted in repayment of interest in respect to the following loans prior to the implementation of RP

Particulars	Nature of payment	Period of Delay	Amount of default	Remarks
Central Bank	Interest	1 - 61 days	24.00	Interest has been paid subsequently in FY 2022-23
IFCI WCTL		1 - 61 days	12.56	
IFCI FITL		1 - 61 days	1.88	
BOM - Covid Loan		1 - 82 days	4.00	

24.3 During the year, the Company has obtained unsecured loan amounting to Rs.900 Lakhs. The terms of repayment is bullet repayment of principal on 31-Dec-2035. The loan carries interest rate at 0.10% p.a payable half yearly from March 2023 till December 2035. The said loan has been recognised at amortised cost and the resultant gain on initial recognition is credited to the statement of profit and loss

24.4 The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.

24.5 The Company has utilised the funds as per the terms of the Borrowings.

25 Other financial liabilities	As at 31 March 2023	As at 31 March 2022
Sundry Creditors- Retention	4,024.26	4,465.38
Total	4,024.26	4,465.38

Sundry Creditors - Retention

As on 31-03-2023

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	4,024.26	-	-	-	-	4,024.26
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	4,024.26	-	-	-	-	4,024.26

As on 31-03-2022

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	4,465.38	-	-	-	-	4,465.38
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	4,465.38	-	-	-	-	4,465.38

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

(Amount in ₹ lakhs, unless otherwise stated)

26 Long Term Provisions	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (Refer Note 46)	479.77	540.50
Total	479.77	540.50

27 Other non-current liabilities	As at 31 March 2023	As at 31 March 2022
Contract Liabilities		
Advance from Customers	2,078.30	2,202.91
Total	2,078.30	2,202.91

28 Short -term borrowings (Secured unless otherwise stated)	As at 31 March 2023	As at 31 March 2022
From bank		
- Cash Credit and Overdraft facilities	7,952.75	42,731.22
- Working Capital Demand Loans	5,129.28	17,014.48
- Demand Loan - Covid Emergency loan	-	191.95
- 'Interest accrued and due	-	7,405.38
Current Maturities	156.00	7,465.00
Non Convertible debentures(NCD)	83.37	
FITL- Moratorium Interest	-	1,272.62
From Financial Institutions		
-Cash Credit and Overdraft facilities	264.78	582.33
Funded Interest Term Loans	-	76.00
-Current Maturities	-	5,724.00
Non Convertible debentures(NCD)	21.20	-
From others (Unsecured)	359.20	-
Total	13,966.58	82,462.97

28.1 Secured by First Paripassu charge on Pooled Assets ie., all movable (both fixed, current and non-current) Immovable assets of the company and Corporate Guarantee of MARK AB LLC Dubai, Mark AB Capital Investments India Private Limited ,SVL Ltd and SVL Trust.However, the Corporate Guarantees of SVL ltd and SVL Trust shall be released after 18 months from the date of RP , if there is no default for a consecutive period of 12 months as defined in RBI Circular dated 7th June 2019.

The Company has defaulted in repayment of interest in respect to the following ,prior to the implementation of RP

Bank / Financial institution name	Cash credit	WCDL	FITL	Period of Delay	Remarks
Punjab National Bank	0.21	0.31	-	1- 214 days	Interest has been paid subsequently in FY 2022-23
State Bank Of India	0.95	-	-		
Union Bank	0.09	-	-		
Yes Bank	0.02	0.04	-		
Axis Bank	0.05	0.07	-		
Bank of Baroda	0.06	0.09	-		
Bank Of India	0.04	0.07	-		
Bank Of Maharashtra	0.10	-	-		

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

(Amount in ₹ lakhs, unless otherwise stated)

Bank / Financial institution name	Cash credit	WCDL	FITL	Period of Delay	Remarks
Central Bank Of India	0.17	0.26	-	1- 214 days	Interest has been paid subsequently in FY 2022-23
DBS Bank	0.22	-	-		
Federal Bank Limited	0.04	0.07	-		
ICICI Bank Limited	0.01	0.01	-		
IDBI Bank Limited	0.48	-	-		
IFCI Factors	0.04	-	4.69		
Indian Bank	0.12	-	-		
Indusind bank	0.07	0.11	-		
ARCIL	0.25	-	-		

28.2 The quarterly statements filed by the Company with the banks and financial institutions are in agreement with the books of accounts

28.3 The Company has utilised the funds as per the terms of the Borrowings. Also, the Company has not used funds raised on short term basis for long term purpose.

Net Debt Reconciliation

Particulars	As at 31 March 2023	As at 31 March 2022
Cash & Cash equivalents	3,285.33	548.27
Non Current Borrowings	(26,616.64)	(15,364.47)
Current Borrowings	(13,966.58)	(82,462.97)
Net Debt	(37,297.89)	(97,279.17)

Particulars	Cash & Cash equivalents	Non Current Borrowings	Current Borrowings	Total
Net Debt as on 1st April, 2021	625.68	(20,072.84)	(58,839.27)	(78,286.43)
Cash Flows	(77.41)	-	-	(77.41)
Proceeds from availments	-	-	(13,767.07)	(13,767.07)
Repayments	-	6,420.12	-	6,420.12
Interest paid/accrued	-	(1,711.75)	(9,856.63)	(11,568.38)
Net Debt as on 1st April, 2022	548.27	(15,364.47)	(82,462.97)	(97,279.17)
Cash Flows	2,737.06	-	-	2,737.06
Proceeds from availments	-	(16,488.98)	(359.20)	(16,848.18)
Repayments	-	-	48,247.99	48,247.99
Gain on restructuring/ fair value	-	-	20,248.40	20,248.40
Interest paid/accrued	-	5,236.81	359.19	5,596.00
Net Debt as on 31st March, 2023	3,285.33	(26,616.64)	(13,966.58)	(37,297.89)

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

(Amount in ₹ lakhs, unless otherwise stated)

29 Trade payables	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of creditors to micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	9,605.31	323.42
Trade Payables	14,822.55	15,549.73
Total	24,427.86	15,873.15

29.1 The average credit period ranges from 30 days to 90 days, depending on the nature of the item or work. The work orders include element of retention, which would be payable on completion of a milestone, completion of the contract or after a specified period from completion of the work. The terms also would include back to back arrangement wherein, certain amounts are payable on realisation of corresponding amounts by the company from the customer. No interest is payable for delay in payments, unless otherwise specifically agreed in the order or as required by a legislation, like Micro, Small and Medium Enterprises Development Act ("MSMED Act"). The company has a well defined process for ensuring regular payments to the vendors.

29.2 Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year: Principal & Interest	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) 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 the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

29A Ageing Trade payable ageing

As on 31-03-2023

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	14,708.23	2,392.31	4,180.38	711.43	2,156.83	24,149.18
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others			32.09	234.93	11.66	278.68
Total	14,708.23	2,392.31	4,212.47	946.36	2,168.49	24,427.86

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

(Amount in ₹ lakhs, unless otherwise stated)

As on 31-03-2022

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	2,546.12	7,527.93	823.34	485.57	3,858.04	15,241.00
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	245.04	383.49	-	3.62	632.15
Total	2,546.12	7,772.97	1,206.83	485.57	3,861.66	15,873.15

30 Other Financial Liabilities	As at 31 March 2023	As at 31 March 2022
Other payables*	1,621.56	1,885.00
Total	1,621.56	1,885.00

*included employee dues and other routine payable for expenses

31 Other current liabilities	As at 31 March 2023	As at 31 March 2022
Statutory dues payable	223.27	140.76
Advance Billing	222.68	548.11
Total	445.95	688.87

32 Contract Liabilities	As at 31 March 2023	As at 31 March 2022
Advance from customers	3,432.75	5,934.02
Total	3,432.75	5,934.02

33 Short Term Provisions	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (Refer note 46)	21.02	23.70
Provision for Compensated Absences (Refer note 46)	246.83	480.83
Total	267.85	504.53

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

(Amount in ₹ lakhs, unless otherwise stated)

34 Revenue from operations	2022-23	2021-22
Revenue from Engineering and Construction Contracts	37,884.66	30,277.16
Company's share in profit of Integrated Joint Ventures	-	1.48
Total	37,884.66	30,278.64

34.1 Revenue for the current year (2022-23) includes Nil (Previous year Rs. 8,624 lakhs), being share of revenue relating to the Basra project, billed from Mokul Shriram EPC JV (MSJV), a jointly controlled operation, where in the company owns 50% interest.

34.2 Unsatisfied performance obligation: Management expects that the transaction price allocated to partially or fully unsatisfied performance obligation of ₹1,10,900 lakhs (Order book value) (March 31, 2022: ₹1,19,664 Lakhs) will be recognised as revenue over the project life cycle.

35 Other income	2022-23	2021-22
Interest income		
- Margin Money deposits	283.42	277.97
- Income tax refund	29.30	316.91
Fair Value gain on Unsecured loan (Refer note 24.3)	613.58	
Liabilities written back	119.80	38.92
Miscellaneous income	163.20	261.61
Total	1,209.30	895.41

36 Erection, Construction & Operation Exps	2022-23	2021-22
Cost of Materials and Labour	30,507.81	24,656.00
Other Contract Related Costs	1,344.34	210.50
Total	31,852.15	24,866.50

36.1 Cost of Materials and Labour for the year ended March 31, 2023 includes NIL lakhs (Year Ended March 31, 2022 Rs. 8,624 Lakhs) being proportionate share of cost relating to the Mokul Shriram EPC JV(MSJV) project in Basra, Iraq.

37 Change in Inventories of Contract WIP	2022-23	2021-22
Inventories at the beginning of the year		248.20
	-	248.20
Less: Inventories at the end of the year		-
		-
Net decrease	-	248.20
Total	-	248.20

38 Employee benefits expense	2022-23	2021-22
Salaries,wages,bonus and other allowances	3,015.39	3,180.98
Contribution to Provident and Other funds	197.91	195.83
Contribution to Gratuity (Refer Note 46)	76.35	133.37
Staff welfare expenses	45.81	172.09
Total	3,335.46	3,682.27

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

(Amount in ₹ lakhs, unless otherwise stated)

39 Finance costs	2022-23	2021-22
Interest on Cash Credits*	2,993.93	7,788.18
Interest on Term Loans *	715.09	1,711.75
Interest on CCD, NCD	54.07	-
Interest - Others	404.98	628.71
Interest on financial liabilities measured at Effective interest rates(INDAS)	1,841.73	1,416.60
Interest on Lease Liabilities	29.06	23.14
Total	6,038.86	11,568.38

*Consequent to implementation of resolution plan, Interest waiver (July'22 – September'22) of Rs. 2,176 Lakhs has been adjusted against Finance cost for the year ended March 31, 2023.

40 Depreciation and amortization expense	2022-23	2021-22
Depreciation on Property, Plant and Equipment (Refer note 6A)	546.81	541.05
Amortization of Intangible Assets (Refer note 7)	4.04	4.04
Amortization of Right to use assets (Refer note 6B)	63.77	29.76
Total	614.62	574.85

41 Other expenses	2022-23	2021-22
Electricity and water	521.29	119.24
Rates and taxes	233.65	46.61
Rent	68.86	104.96
Repairs and Maintenance:		
Building	12.07	14.66
Plant and Machinery, Equipments	39.53	56.67
Others	12.94	20.01
Auditors' Remuneration (Refer note 41.1 below)	47.63	34.32
Bank Charges, Letter of Credit / Guarantee charges	699.19	962.59
Travel and conveyance	334.46	334.05
Insurance premium	125.22	192.10
Printing & Stationery	16.31	17.30
Communication, broadband and internet expenses	21.86	24.03
Sitting Fees	11.70	8.70
Consultancy charges	366.57	333.48
Legal Expenses	172.32	105.86
Advertisement	46.48	22.32
Bad Debts	1.61	103.35
Company's share in Loss of Integrated Joint Ventures	10.36	-
Donation	0.14	0.08
Provision for doubtful trade and Other receivables	722.19	1,831.49
Provision for Contract Assets	4,968.59	-
Loss on Sale of assets	336.27	0.17
Others	409.06	163.63
Total	9,178.29	4,495.61

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

(Amount in ₹ lakhs, unless otherwise stated)

41.1 The following is the break-up of Auditors remuneration (exclusive of GST)

As auditor:	2022-23	2021-22
Statutory audit	27.00	27.00
Other matters	20.54	6.00
Reimbursement of expenses	0.09	1.32
Total	47.63	34.32

42 Exceptional Items-(income)/ expense	2022-23	2021-22
Gain on Debt restructuring (Refer Note 24.2)	(19,634.82)	-
Provision for trade, other receivables and contract assets	-	6,361.26
Contract assets written off	5,819.69	-
Total	(13,815.13)	6,361.26

42.1 (i) Year ended March 31, 2023 includes an amount of Rs. 19,634.82 Lakhs resulting from implementation of Resolution Plan with the lenders, on account of reduction in interest cost with effect from October 01, 2020 till June, 30, 2022, the difference between the carrying amounts of the facilities before restructuring as at September 30, 2022 and the fair values of the new facilities recognised as income in accordance with INDAS 109 - Financial Instruments.

(ii) During the year ended March 31, 2023, contract assets amounting to Rs. 5,819.69 lakhs was written off, in respect of projects stopped by the client consequent to an order of the National Green Tribunal restraining the client from proceeding with the project and on account of wrongful termination of a contract and consequent legal disputes / arbitration proceedings initiated during the year in respect of projects with the customers.

(iii) During the previous year ended March 31, 2022 represents provisions for trade, other receivables and contract assets amounting to Rs. 6,361.26 lakhs, based on estimation of potential stress on project completion and collections, considering the continuing impact of COVID 19 pandemic.

43 Income Tax

(A) Components of Deferred Tax Assets and Liabilities recognised in Balance Sheet:

31.03.2023

Particulars	Balance as at April 1, 2022	Recognized in profit or loss during 2022-23	Recognized in OCI during 2022-23	Balance as at March 31, 2023
Deferred tax assets				
Expenditure allowed on payment basis for Income tax purpose	365.17	(123.67)	19.73	261.23
Impairment loss on Financial Assets and Contract Assets	3,912.73	1,255.22	-	5,167.95
Deferred tax asset on account of unabsorbed losses and depreciation allowance (Refer Note- 43 (B))	39,645.00	(4,235.38)	-	35,409.62
	43,922.90	(3,103.83)	19.73	40,838.80
Deferred tax liabilities				
On Property, Plant and Equipment	577.40	(62.15)	-	515.25
On Others	-	-	-	-
	577.40	(62.15)	-	515.25
Deferred tax asset, net	43,345.50	(3,041.68)	19.73	40,323.55

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

(Amount in ₹ lakhs, unless otherwise stated)

(B) The Company has business losses which are allowed to be carried forward and set off against available future taxable income under Income Tax Act, 1961. Against the carried forward loss amounting to Rs. 1,37,510.14 lakhs, the Company has recognised Deferred Tax Asset (DTA) on a carry forward loss of Rs. 1,11,216.10 lakhs in an earlier year resulting in DTA of Rs. 33,289.92 lakhs (March 31, 2022 - Rs. 39,645 Lakhs). During the current year, the company has written off DTA amounting to Rs. 3,021.95 lakhs(net) due to carry forward business losses which is expiring by AY relevant to accounting year ended March 31, 2023. Considering potential order book as on date, future business prospects in the light of implementation of resolution plan, projects in pipeline etc, the management is confident of adjusting these carry forward losses and reversal of DTA before the expiry of the period for which this benefit is available. The auditors have qualified this matter in their report for the year ended March 31, 2023.

31-03-2022

Particulars	Balance as at April 1, 2021	Recognized in profit or loss during 2021-22	Recognized in OCI during 2021-22	Balance as at March 31, 2022
Deferred tax assets				
Expenditure allowed on payment basis for Income tax purpose	338.58	32.05	(5.46)	365.17
Impairment loss on Financial Assets and Contract Assets	3,937.69	(24.96)	-	3,912.73
Deferred tax asset on account of unabsorbed losses and depreciation allowance (Refer Note- 44 (B)(b))	43,889.00	(4,244.00)	-	39,645.00
	48,165.27	(4,236.91)	(5.46)	43,922.90
Deferred tax liabilities				
On Property, Plant and Equipment	541.57	35.83	-	577.40
On Others	-			
	541.57	35.83	-	577.40
Deferred tax asset, net	47,623.70	(4,272.74)	(5.46)	43,345.50

(C) The Company has business losses and unabsorbed depreciation which are allowed to be carried forward and set off against available future taxable income under Income Tax Act, 1961. Against the carried forward loss of Rs.2,11,013 lakhs, the company has recognized deferred tax asset on a carry forward loss to the extent of Rs.1,28,547 lakhs which results in DTA of Rs. 39,645 lakhs. During the current year, the company has written off DTA amounting to Rs. 4,278 lakhs(net) due to carry forward business losses which is expiring by AY relevant to accounting year ended March 31, 2022. Considering potential order book as on date, future business plan, projects in pipeline etc, the management is confident of adjusting these carry forward losses and reversal of DTA before the expiry of the period for which this benefit is available.

(D) Components of Tax	2022-23	2021-22
Current Tax	-	-
Deferred Tax	(3,021.95)	(4,278.00)
Total	(3,021.95)	(4,278.00)

(E) Reconciliation of tax charge	2022-23	2021-22
(a) Profit/(Loss) before tax	1,889.71	(20,623.02)
(b) Corporate Tax Rate as per Income Tax Act, 1961	34.94%	34.94%
(c) Tax on Accounting Profit/(loss)	660.34	(7,205.68)
	(c) = (a) * (b)	

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

(Amount in ₹ lakhs, unless otherwise stated)

(d) Tax adjustments	2022-23	2021-22
(i) Tax on Non-deductible item for tax purpose	-	(1,808.36)
(ii) Tax effect on expiry of carry forward losses	(2,738.79)	(7,500.00)
(iii) Tax effect of losses of current year on which no deferred tax benefit is recognised	-	(2,095.59)
(iv) Tax effect on utilisation of carry forward losses	(1,496.60)	
(iv) Tax effect of various other items	1,873.78	(79.74)
Total effect of Tax Adjustments	(2,361.61)	(11,483.68)
(e) Tax expenses recognised during the year (e) = (d) - (c)	(3,021.95)	(4,278.00)

(F) There is no provision for tax in view of the brought forward losses/unabsorbed depreciation relating to earlier years, available for set off, while computing income, both under the provisions of 115 JB and those other than section 115 JB of the Income Tax act 1961

(G) Unrecognised deductible temporary differences, unused tax losses

Particulars	2022-23	2021-22
- Unused tax losses	6,201.00	8,729.00
Total	6,201.00	8,729.00

1

Expiry period	Unused Tax Loss (Rs. Lakhs)
2023-24 to 2029-30	6,201.00

2 The Company has business loss which are allowed to be carried forward and set off against the available future taxable income under Income Tax Act, 1961. No Deferred Tax asset has been recognised on this considering no reasonable certainty

44 Basic and Diluted Earnings Per Share (EPS) computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share":

Particulars		Year ended 31st March 2023	Year ended 31st March 2022
Basic EPS			
Profit/ (Loss) after Tax as per Accounts (₹ lakhs)	A	(1,132.24)	(24,901.02)
Weighted Average Number of Equity Shares Outstanding	B	12,240.86	9,715.29
Basic EPS (₹)	A/B	(0.09)	(2.56)
Diluted EPS			
Profit/ (Loss) after Tax as per Accounts (₹ lakhs)		(1,132.24)	(24,901.02)
Add: Interest cost on CCD		777.12	-
Profit/ (Loss) after Tax as per Accounts (₹ lakhs) for diluted EPS	A	(355.12)	(24,901.02)
Weighted Average Number of Equity Shares Outstanding		12,240.86	9,715.29
Weighted Average Number of shares upon conversion of CCD		125.81	-
Weighted Average Number of Equity Shares Outstanding for Diluted EPS	B	12,366.67	9,715.29
Diluted EPS* (₹)	A/B*	(0.09)	(2.56)

* Since the diluted EPS as per computation is anti dilutive, diluted EPS is taken as basic EPS.

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

(Amount in ₹ lakhs, unless otherwise stated)

45 Disclosures pursuant to EPC Contracts:

S. No	Particulars	Year ended 31st March 2023	Year ended 31st March 2022
1	Contract revenue recognised for the financial year	37,884.66	30,277.16
2	Aggregate amount of Contract costs incurred and recognized profits (less recognized losses) upto the reporting date	31,852.15	25,114.70
3	Advances received for contracts in progress	5,511.05	8,136.93
4	Retention amount by customers for contracts in progress	28,020.63	28,718.62
5	Gross amount due from customers for contract work (Asset)	80,598.49	83,664.76
6	Gross amount due to customers for contract work (Liability)	222.68	548.11

46 Disclosure pursuant to Ind AS 19 "Employee Benefits"

(A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss	2022-23	2021-22
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 38)	197.91	195.83

(B) Defined benefit plans (Unfunded)

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Investment Risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Interest risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Salary Escalation Risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic Risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

In respect of the plan in India, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at March 31, 2023 by Mr. S. Krishnan, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

No other post-retirement benefits are provided to these employees.

i) Actuarial assumptions	2022-23	2021-22
Discount rate (per annum)	7.20%	7.28%
Rate of increase in Salary	5%	5%
Expected average remaining working lives of employees (years)	12.70	12.80
Attrition rate	3.00%	3.00%

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

(Amount in ₹ lakhs, unless otherwise stated)

ii) Changes in the present value of defined benefit obligation

	Gratuity		Long Term Compensated Absences	
	2022-23	2021-22	2022-23	2021-22
Present value of obligation at the beginning of the year	564.20	583.13	480.83	385.95
Interest cost	33.93	35.62	32.26	25.05
Past service cost				
Current service cost	42.42	97.76	139.01	380.31
Curtailments				
Settlements				
Benefits paid	(196.14)	(136.70)	(75.43)	(47.95)
Actuarial gain on obligations	56.38	(15.61)	(329.84)	(262.53)
Present value of obligation at the end of the year*	500.79	564.20	246.83	480.83

*Included in provision for employee benefits (Refer notes 26 and 33)

iii) Expense recognized in the Statement of Profit and Loss

	Gratuity		Long Term Compensated Absences	
	2022-23	2021-22	2022-23	2021-22
Current service cost	33.93	35.62	139.01	380.31
Past service cost				
Interest cost	42.42	97.75	32.26	25.05
Expected return on plan assets				
Actuarial gain on obligations	56.38	(15.61)	(329.84)	(262.53)
Settlements		-		
Curtailments		-		-
Total expenses recognized in the Statement Profit and Loss	76.35	133.37	(158.57)	142.83
Total expenses recognized in OCI	56.38	(15.61)		

iv) Assets and liabilities recognized in the Balance Sheet:

	Gratuity		Long Term Compensated Absences	
	2022-23	2021-22	2022-23	2021-22
Present value of unfunded obligation as at the end of the year	(500.79)	(564.20)	(246.83)	(480.83)
Unrecognized actuarial (gains)/losses	-	-	-	-
Unfunded net liability recognized in Balance Sheet*	(500.79)	(564.20)	(246.83)	(480.83)

*Included in provision for employee benefits (Refer notes 26 and 33)

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

(Amount in ₹ lakhs, unless otherwise stated)

v) A quantitative sensitivity analysis for significant assumption as at 31 March 2023 is as shown below:

Impact on defined benefit obligation	2022-23	2021-22
Discount rate		
0.5% increase	(3.08%)	(2.86%)
0.5% decrease	3.27%	3.04%
Rate of increase in salary		
0.5% increase	3.27%	3.04%
0.5% decrease	(3.08%)	(2.86%)

vi) Maturity profile of defined benefit obligation Period	2022-23	2021-22
By the end of the First Year	105.03	167.89
Between Year 1 and Year 2	70.24	11.21
Between Year 2 and Year 3	20.37	69.93
Between Year 3 and Year 4	42.28	99.03
Between Year 4 and Year 5	76.82	45.28
Between Year 5 and Year 10	285.78	374.94

47 Disclosure in respect of leases pursuant to Indian Accounting Standard (Ind AS) 116, "Leases"

(A) Finance leases where Company is a lessee:

The following is the summary of practical expedients elected on application:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

The Company has lease contracts for its head office building and furniture and fixtures. lessee is restricted from assigning and subleasing the leased assets. The Company applies the "short term Lease" and "lease of Low value assets" recognition exemptions for these leases.

The effective interest rate for lease liabilities is 9%.

Maturity analysis of lease liabilities

Particulars	31st March 2023	31st March 2022
Within one year	98.45	36.60
After one year but not more than five years	163.30	195.58
More than five years	88.74	106.40

Amounts recognised in the Statement of Profit and Loss:

Particulars	As at 31 March 2023	As at 31 March 2022
Amortization expense of right-of-use assets	63.77	29.76
Interest expense on lease liabilities	29.06	23.13
Expense relating to short-term leases (included in other expenses)	68.86	104.96
Total amount recognised in statement profit or loss	161.70	157.84

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

(Amount in ₹ lakhs, unless otherwise stated)

Amounts recognised in statement of Cash Flows:

Particulars	As at 31 March 2023	As at 31 March 2022
Total Cash outflow for leases	58.19	36.60

48 Disclosure of Related Parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

(A) List of related parties and description of relationship as identified and certified by the Company:

Entities exercising significant influence over the Company

SVL Ltd (upto 23rd September 2022)

Mark A B Investment LLC (effective from 24th September 2022)

Subsidiary

Shriram EPC FZE, Sharjah

Step Down Subsidiary

Shriram EPC Arkan LLC

Subsidiary of Entites exercising significant influence over the Company (upto 23rd September 2022)

Bharat Coal Chemicals Limited (BCCL)

Subsidiary of Entites exercising significant influence over the Company (Effective from 24th September 2022)

Mark AB Capital Investment India Private Limited

Enterprises under the joint control of the Entites exercising significant influence over the Company:

Leitwind Shriram Manufacturing Private Limited (upto 23rd September 2022)

Key management personnel

T. Shivaraman - Managing Director (upto 19th September 2022)

M. Amjad Shariff - Joint Managing Director (upto 19th September 2022)

N K Suryanarayanan - Managing Director (effective from 24th September 2022)

Other enterprises under the control of the key management personnel

Orient Green Power Company Limited (upto 20th September 2022)

Bharath Wind Farm Limited (upto 20th September 2022)

Beta Wind Farm Private Limited (upto 20th September 2022)

Amrit Environmental Technologies P Ltd (upto 20th September 2022)

Joint Operations

Larsen & Toubro Limited Shriram EPC JV

Mokul Shriram EPC JV

Shriram EPC Eurotech Environmental Pvt Ltd - JV

SEPC DRS ITPL JV

(B) Details of transactions with related party in the ordinary course of business for the year ended:

	2022-23	2021-22
(i) Entites exercising significant influence over the Company		
SVL Ltd (upto 23rd September 2022)		
Transfer of Advances / Receivables	7,433.87	2,793.80
Fund Received (Net)		2,454.85
Mark A B Investment LLC (effective from 24th September 2022)		
Amount invested as Equity	35,000.00	-

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

(Amount in ₹ lakhs, unless otherwise stated)

	2022-23	2021-22
(ii) Subsidiary of Entites exercising significant influence over the Company (Effective from 24th September 2022)		
MARK AB Capital Investment India Private Limited(Effective from 24th September 2022)	900.00	-
(iii) Subsidiary		
Shriram EPC FZE, Sharjah	700.00	-
(iv) Key Management Personnel (KMP)		
Compensation of key management personnel		
T.Shivaraman (upto 19th September 2022)	119.61	60.40
M.Amjad Shariff(upto 19th September 2022)	79.68	60.15
N K Suryanarayanan (Effective from 24th September 2022)	43.40	-
(v) Other enterprises under the control of the key management personnel		
(a) Orient Green Power Company Limited		
Payments made	-	0.41
(b) Bharath Wind Farm Limited		
Fund Receipts	-	4.11
(vi) Joint Operations		
(a) Larsen & Toubro Limited Shriram EPC JV		
Company's share in profit of Integrated Joint Ventures	-	1.48
Company's share in Loss of Integrated Joint Ventures	10.36	-
Funds Received	-	390.77
(b) Shriram EPC Eurotech Environmental Pvt Ltd - JV		
Progressive Billings/ Revenue	121.00	698.18
Expenses reimbursed by the party	-	4.51
(c) SEPC DRS ITPL JV		
Progressive Billings/ Revenue	102.00	1.99
(d) Mokul Shriram EPC JV		
Progressive Billings/ Revenue	-	8,624.17
Cost incurred for Materials and Labour	-	8,624.17

(C) Amount due (to)/from related party as on:

(i) Particulars	2022-23	2021-22
Advances / (Borrowings):		
MARK AB Capital Investment India Private Limited (Effective from 24th September 2022)	(900.00)	0.00
Leitwind Shriram Manufacturing Private Limited (Net of Provision for Expected Credit Loss of ₹ 9,141.70 Lakhs (March 31, 2022: ₹ 9,141.70 Lakhs)	0.00	477.77
Receivables /(Payables):		
Shriram EPC FZE, Sharjah	1,534.82	2,234.82
Amrit Enviornmental Technologies P Ltd	1,966.38	1,966.38
Larsen & Toubro Limited Shriram EPC JV	(0.90)	(0.90)
Mokul Shriram EPC JV	1,669.28	1,669.28

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

(Amount in ₹ lakhs, unless otherwise stated)

49 Disclosure pursuant to Ind AS 1 "Presentation of Financial Statements"

(A) Current Assets expected to be recovered within twelve months and after twelve months from the reporting date

	As at March 31, 2023			As at March 31, 2022		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Trade Receivables - Note 16	24,241.10	-	24,241.10	28,057.27	-	28,057.27
Other Current Financial Assets - Note 19	123.37	-	123.37	889.02	-	889.02

(B) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date

	As at March 31, 2023			As at March 31, 2022		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Acceptances - Note 29	9,605.31	-	9,605.31	323.42	-	323.42
Trade and Other Payables - Note 29	14,822.55	-	14,822.55	15,549.73	-	15,549.73
Other Current Financial Liabilities - Note 30	1,621.56	-	1,621.56	1,885.00	-	1,885.00

50 Segment reporting

The Chief Operating Decision Maker (CODM) reviews the operations of the Company for the year ended March 31, 2023 as one operating segment being Construction Contracts. Hence no separate primary segment information has been furnished herewith as required by Ind AS 108, "Operating segment". However, Geographical Segments being secondary segments are disclosed below :

Particulars	31-Mar-23	31-Mar-22
Rest of the World		
Revenue	-	8,624.16
Assets	2,354.00	3,053.99
India		
Revenue	37,884.66	21,653.00
Assets	1,83,762.22	2,01,710.96
Capital Expenditure	13.91	14.97

51 Expenditure in Foreign Currency

Particulars	31-Mar-23	31-Mar-22
Professional & Consultancy Fees	19.29	4.85
Material Consumed in Execution of Engineering Contracts	-	201.72
Erection ,Construction & Operation Exp	32.02	59.00
Travelling & Conveyance	4.68	3.74
Salaries and wages	-	67.95
Others	12.38	154.84
Total	68.37	492.10

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

(Amount in ₹ lakhs, unless otherwise stated)

52 Fair Value Measurement

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

31-Mar-23

Particulars	Note	Carrying Amount					Fair Value			
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Investments at Fair Value through Other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
Assets										
Financial Assets Measured at Fair Value										
Investments	9	-	-	-	40.93	40.93	40.93	-	-	40.93
						-				
Financial Assets not Measured at Fair Value*						-				
Investments	9	24.26	-	-	24.26	24.26	-	-	-	-
Loans	10	697.48	-	-	697.48	697.48	-	-	-	-
Trade Receivables	11 & 16	42,447.33	-	-	42,447.33	42,447.33	-	-	-	-
Cash and Cash Equivalents	17	3,285.33	-	-	3,285.33	3,285.33	-	-	-	-
Other Bank balances	18	1,730.33	-	-	1,730.33	1,730.33	-	-	-	-
Other financial assets	12 & 19	1,153.87	-	-	1,153.87	1,153.87	-	-	-	-
Total		49,338.60	-	-	40.93	49,379.53	40.93	-	-	40.93
Liabilities										
Financial Liabilities not Measured at Fair Value*										
Non Current Borrowings	24	-	-	26,616.64	26,616.64	26,616.64	-	-	-	-
Current Borrowings	28	-	-	13,966.58	13,966.58	13,966.58	-	-	-	-
Trade payables	29	-	-	24,427.86	24,427.86	24,427.86	-	-	-	-
Other financial liabilities	25 & 30	-	-	5,645.82	5,645.82	5,645.82	-	-	-	-
Total		-	-	70,656.90	70,656.90	70,656.90	-	-	-	-

31-Mar-22

Particulars	Note	Carrying Amount					Fair Value			
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Investments at Fair Value through Other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
Assets										
Financial Assets Measured at Fair Value										
Investments	9	-	-	-	52.72	52.72	52.72	-	-	52.72
						-				

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

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Note	Carrying Amount					Fair Value			
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Investments at Fair Value through Other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
Financial Assets not Measured at Fair Value*						-				
Investments	9	24.26	-	-		24.26	-	-	24.26	24.26
Loans	10	8,131.35	-	-		8,131.35	-	-	-	-
Trade Receivables	11 & 16	46,825.77	-	-		46,825.77	-	-	-	-
Cash and Cash Equivalents	17	548.27	-	-		548.27	-	-	-	-
Other Bank balances	18	2,387.49	-	-		2,387.49	-	-	-	-
Other financial assets	12 & 19	1,970.81	-	-		1,970.81	-	-	-	-
Total		59,887.95	-	-	52.72	59,940.67	-	-	24.26	24.26
Liabilities										
Financial Liabilities not measured at fair value*										
Non Current Borrowings	24	-	-	15,364.47		15,364.47	-	-	-	-
Current Borrowings	28	-	-	82,462.97		82,462.97	-	-	-	-
Trade payables	29	-	-	15,873.15		15,873.15	-	-	-	-
Other financial liabilities	25 & 30	-	-	6,350.38		1,885.00	-	-	-	-
Total		-	-	1,20,050.97		1,20,050.97	-	-	-	-

* The company has not disclosed the fair value for Financial instruments mentioned above because their carrying amounts are a reasonable approximation of fair value.

53 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and financial instruments.

(i) 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 outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

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

(Amount in ₹ lakhs, unless otherwise stated)

The net exposure to foreign currency in respect of recognized financial assets, recognized financial liabilities and derivatives is as follows:

- Forward exchange contracts entered into by the Company and outstanding as on March 31, 2023 - Nil (March 31, 2022- Nil)
- Foreign Currency exposure

Particulars	31-Mar-23		
	Currency	Amount in Foreign Currency (In Lakhs)	In ₹ lakhs
Bank Balances	IQD	2.43	0.13
Trade Payables (including Payables on purchase of fixed assets)	EURO	5.74	513.39
Trade and Other Receivables	USD	22.18	1,822.12

Particulars	31-Mar-22		
	Currency	Amount in Foreign Currency (In Lakhs)	In ₹ lakhs
Bank Balances	USD	0.07	5.16
	IQD	2.43	0.13
Trade Payables (including Payables on purchase of fixed assets)	USD	1.11	84.44
	EUR	37.17	3,130.82
Trade and Other Receivables	USD	31.62	2,396.93

Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's import payments and cost of borrowings.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents Management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The following table details the Company's sensitivity movement in the increase / decrease in foreign currencies exposures (net):

USD Impact

Particulars	March 31, 2023
Profit or Loss	0.61
Equity	0.61

IQD Impact

Particulars	March 31, 2023
Profit or Loss	0.04
Equity	0.04

EUR Impact

Particulars	March 31, 2023
Profit or Loss	0.74
Equity	0.74

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

(Amount in ₹ lakhs, unless otherwise stated)

(B) Credit risk

The credit risk to the company arises from two sources:

- a) Customers, who default on their contractual obligations, thus resulting in financial loss to the Company evaluates the credentials of a customer at a very early stage of the bid. Company has adopted a policy of 3 tier verification before participating for any bid. The first step of such verification includes verification of customer credentials. The company, as part of verification of the customer credentials, ensures the compliance with the following criterion
 - (i) Customer's financial health by examining the audited financial statements
 - (ii) Whether the Customer has achieved the financial closure for the work for which the company is bidding
 - (iii) Where the customer is Public Sector Undertaking, sanction and availability of adequate financial resources for the proposed work. Company makes provision on its financial assets, on every reporting period, as per Expected Credit Loss Method. The provision is made separately for each financial assets of each business line. The percentage at which the provision is made, is determined on the basis of historical experience of such provisions, modified to the current and prospective business and customer profile. Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. Majority of the customers of the company comprise of Public Sector Undertakings, with whom the company does not perceive any credit risk. As regards the customers from private sector, company carries out financial evaluation on regular basis and provides for any amount perceived as non realisable, in the books of accounts.
- b) Non certification by the customers, either in part or in full, the works billed as per the contract, being non claimable cost as per the terms of the contract with the customer

Non certification of works billed The Company has contract claims from customers including costs on account of account of delays / changes in scope / design by them etc., which are at various stages of discussions / negotiations or under arbitrations. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims

The Company provides for doubtful receivables/advances and expected credit loss based on 12 months and lifetime expected credit loss basis for following financial assets:

31-Mar-23

Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	33,606.04	(9,364.94)	24,241.10
Contract Assets	78,215.17	(4,968.58)	73,246.59
Advances to Suppliers	7,395.55	(1,640.30)	5,755.25

31-Mar-22

Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	37,133.14	(9,075.87)	28,057.27
Contract Assets	83,029.75	(3,321.01)	79,708.74
Advances to Suppliers	8,510.53	(1,640.30)	6,870.23

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

(Amount in ₹ lakhs, unless otherwise stated)

Reconciliation of Provision and Expected Credit Loss

Particulars	Trade receivables	Contact Asset	Advances to suppliers
Provision and Expected Credit Loss on March 31, 2022	9,075.87	3,321.01	1,640.30
Written Off	0.00	(3,321.01)	-
Allowance for Doubtful Debts	289.07	4,968.59	-
Provision and Expected Credit Loss on March 31, 2023	9,364.94	4,968.59	1,640.30

(C) Liquidity risk

Company being an EPC contractor, has a constant liquidity pressures to meet the project requirements. These requirements are met by a balanced mix of borrowings and project cash flows. Cash flow forecast is made for all projects on monthly basis and the same are tracked for actual performance on daily basis. Shortfall in cash flows are matched through short term borrowings and other strategic financing means. The daily project requirements are met by allocating the daily aggregated cash flows among the projects. Company has established practice of prioritising the site level payments and regulatory payments above other requirements.

The table below summarizes the maturity profile of the Company's financial liabilities:

31-Mar-23	Within 12 months	More than 12 months	Total
Short term borrowings	13,966.58	-	13,966.58
Long-term borrowings	-	26,616.64	26,616.64
Trade payables	17,100.54	7,327.32	24,427.86
Other financial liability	1,621.56	4,024.26	5,645.82
	32,688.68	37,968.22	70,656.90

31-Mar-22			
Short term borrowings	82,462.97		82,462.97
Long-term borrowings	-	15,364.47	15,364.47
Trade payables	10,713.60	5,159.55	15,873.15
Other financial liability	1,885.00	4,465.38	6,350.38
	95,061.57	24,989.40	1,20,050.97

54 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors Net Debt to Capital ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of term loans and cash credits. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

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

(Amount in ₹ lakhs, unless otherwise stated)

		31-Mar-23	31-Mar-22
Total equity	(i)	1,08,404.21	74,604.62
Total debt	(ii)	40,583.22	97,827.44
Cash and Cash Equivalents	(iii)	3,285.33	548.27
Net Debt	(iv) = (ii) - (iii)	37,297.89	97,279.17
Total Capital	(v) = (i) + (iv)	1,45,702.11	1,71,883.80
Net Debt to Capital ratio	(iv)/ (v)	0.26	0.57

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

55 Disclosures pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

Movement in Provisions:

Particulars	Provision for Expected Credit Losses		Provision for Advances
	Current	Non-Current	Current
Opening Balance as on April 01, 2022	12,396.88	13,900.14	1,640.30
Add: Additional Provision during the year	1,873.30	433.12	-
Less: Movement on Account of Transfer of advances to Group Companies	-	-	-
Closing Balance as on March 31, 2023	14,270.18	14,333.26	1,640.30

56 Assets under charge for borrowings

The carrying amounts of assets under charge for current and non-current borrowings are:

	31-Mar-23	31-Mar-22
Current assets		
Trade receivables	24,241.10	28,057.27
Contract Assets	73,246.59	79,708.74
Cash and cash equivalents	3,285.33	548.27
Other bank balances	1,730.33	2,387.49
Other current assets	10,642.13	11,698.56
Assets classified as held for sale	-	596.06
Total Current assets under charge	113,268.85	123,885.41
Non-Current assets	72,847.37	80,879.54
Total Asset	186,116.22	204,764.95

"Sanctioned limit with various Banks for various facilities has been Secured by First Paripassu charge on Pooled Assets ie., all movable (both fixed, current and non-current) Immovable assets of the company and Corporate Guarantee of MARK AB LLC Dubai, Mark AB Capital Investments India Private Limited ,SVL Ltd and SVL Trust. However, the Corporate Guarantees of SVL Ltd and SVL Trust shall be released after 18 months from the date of RP , if there is no default for a consecutive period of 12 months as defined in RBI Circular dated 7th June 2019. The quarterly statements filed by the Company with the banks and financial institutions are in agreement with the books of accounts"

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

(Amount in ₹ lakhs, unless otherwise stated)

57 Commitments

	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for	Nil	Nil

58 Contingent liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
a) Claims against the Company not acknowledged as debts*	10,188.40	15,835.06
b) Central Excise, Service Tax and customs Duties demands contested in Appeals , not provided for*	408.00	408.00
c) Disputed VAT/ Central Sales tax demands contested in Appeals, not provided for*	3,166.00	9,669.88
d) Bank Guarantees given to Customers for performance and advances #	33,636.06	32,002.18

*Management is confident of winning the appeals in respect of the above , hence no provision has been made. Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

#In respect of matters at (d), the cash outflows, if any, could generally occur up to two years, being the period over which the validity of the guarantees extends.

59 Ratios as per the Schedule III requirements

Particulars			31st March 2023		31st March 2022		Ratio as on		Variance	Reason
	Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	31st March 2023	31st March 2022		
Current Ratio	Current Assets	Current Liabilities	1,13,268.85	44,261.00	1,23,885.41	1,07,385.14	2.56	1.15	122%	Consequent to implementation of RP, a part of the debt has been prepaid/converted into NCD,CCD,contributing to reduction in current liability.
Debt Equity Ratio	Debt	Total Equity	40,583.22	1,08,404.21	97,827.44	74,604.62	0.37	1.31	-71%	Consequent to implementation of RP, a part of the debt has been prepaid/converted into NCD,CCD, and infusion of Rs. 35,000 lakhs fresh equity contributed for the improvement in the Debt equity ratio
Return on equity/ investment	PAT	Total equity	(1,132.24)	1,08,404.21	(24,901.02)	74,604.62	(0.01)	(0.33)	-97%	Improved operations in the current year and infusion of fresh equity of Rs. 35,000 lakhs, consequent to implantation of RP, improved ROI
Inventory Turnover Ratio	COGS	Average stock*	31,852.15	31,852.15	25,114.70	26,789.22	1.00	0.94	7%	

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

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Numerator	Denominator	31st March 2023		31st March 2022		Ratio as on		Variance	Reason
			Numerator	Denominator	Numerator	Denominator	31st March 2023	31st March 2022		
Trade Receivables turnover ratio	Debtors	Net credit sales#	42,447.33	37,884.66	46,825.77	30,278.64	1.12	1.55	-28%	Improved turnover and reduction in debtors contributed for improvement in receivable turnover ratio
Trade payables turnover ratio	Creditors	Net credit purchases*	24,427.86	31,852.15	15,873.15	24,866.50	0.77	0.64	20%	
Net capital turnover ratio	Revenue from operations	Total equity	37,884.66	1,08,404.21	30,278.64	74,604.62	0.35	0.41	-14%	
Net profit ratio	PBT	Net sales #	1,889.71	37,884.66	-20,623.02	30,278.64	0.05	(0.68)	-107%	Increase in revenue and reduction in finance cost consequent to implementation of RP contributed for overall improvement in the ratio
Return on Capital employed	EBIT (PBT + Finance cost)	Total Assets - Deferred tax - Current Liabilities	(5,886.56)	1,01,531.67	(2,693.37)	54,034.31	(0.06)	(0.05)	16%	

*Represents erection, construction expenses

Represents total revenue from operations

60 There are no transactions with vendors under the Micro, Small and Medium Enterprises Development Act, 2006, this has been determined on the basis of information available with the Company

61 "The Company (SEPC) and Twarit Consultancy Services Private Limited (TCPL) were the Respondents in respect of an International Arbitration before The Singapore International Arbitration Centre (SIAC) filed by GPE (INDIA) Ltd, GPE JV1Ltd, Gaja Trustee Company Private Ltd (the Claimants) in connection with the investments made by the claimants in an associate company of the Company. SIAC vide its award dated January 07, 2021 awarded damages jointly and severally on the Respondents to the tune of Rs.19,854.10 lakhs and a sum of SGD 372,754.79 towards Arbitration expenses. These are to be paid along with simple interest @ 7.25% pa from July 21, 2017 until the date of payment.

The Respondents preferred an appeal before the High Court of Republic of Singapore against the award of SIAC and the same is held in favour of the claimants. Recognition and Enforcement petition was filed by the claimants before Madras High Court which recognised the foreign award subject to obtaining of prior approval from the RBI. Aggrieved by this the claimants have moved the Supreme Court for certain directions which is pending.

However, the Company has entered into an Inter-se arrangement dated September 29, 2015 with TCPL and Shri Housing Pvt Ltd by which, Company will be fully indemnified, in case of any liability arising out of any Suits, Proceedings, Disputes, Damages payable by the Company on any defaults arising out of the above.

62 Mokul Shriram EPC JV (JV Company) have won the complaint against Export Credit Guarantee Corporation of India Limited (ECGC) before the National Consumer Disputes Redressal Commission, (NCDRC) New Delhi, in connection with the project executed in Basra, Iraq. NCDRC, vide their order dated January 27, 2021, which has allowed the claims and directed ECGC to pay a sum of Rs. 26,501 lakhs along with simple interest @ 10% pa. with effect from September 19, 2016 till the date of realisation to the JV Company within a period of three months from the date of order, failing which ECGC will be liable to pay compensation in the form of simple interest @ 12% pa. ECGC had filed an appeal against the order of NCDRC New Delhi, before Supreme Court, and the case is pending for disposal.

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

(Amount in ₹ lakhs, unless otherwise stated)

63 The Company has incurred net loss during the year ended March 31, 2023 amounting to Rs. 1,132.24 Lakhs and as of that date accumulated losses is aggregating to Rs. 2,15,649.26 Lakhs. Resolution Plan submitted in accordance with the requirement set out in the circular issued by the Reserve Bank of India No RBI/20119/203DBR.No>BP.BC.45/21.04.048./2018-19 dated June 07, 2019 has been approved and implemented by Company and Lenders on September 30, 2022. Considering the positive developments of implementing the resolution plan, infusion of equity by the investor, completion of Rights issue post year-end and the change in management, additional funding by Investor for working capital together with plans to meet financial obligations in future out of the cash flows from execution of the pipeline of orders in hand, business plans, sanctioned non-fund based facilities etc, the financial statements are prepared on a going concern basis.

64 “The Code on Social Security 2020 (‘the Code’) relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.”

65 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

The Company does not have transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the year

66 Utilisation of Borrowed funds and Securities Premium:

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries”

67 Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

68 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

69 Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous 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.)

70 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

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

(Amount in ₹ lakhs, unless otherwise stated)

71 Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.”

72 During March 2023, the Company has obtained Services Investment License to incorporate a 100% subsidiary namely - SEPC Arabia Limited Company, in Saudi Arabia for the purpose of exploiting the market potential in the kingdom of Saudi Arabia as well as strengthen the presence in Gulf Cooperation Council region (GCC) using Company's qualifications and promoter MARK AB experience in that region.

73 Subsequent events

Pursuant to the approval of the Board of Directors of the Company at its Meeting held on December 27, 2022 final Letter of Offer (LOF) was filed with the Stock Exchanges on March 23, 2023 for Issue of 4,99,00,000 Equity Shares under Rights Issue for an amount aggregating to Rs.4,999 Lakhs. The Rights Issue opened for subscription on April 10, 2023 and closed on April 24, 2023. The Rights Issue Committee, at its Meeting held on May 02, 2023 allotted 4,99,00,000 Rights Equity Shares to the eligible Shareholders.

74 The Board, duly taking into account all the relevant disclosures made has approved these financial statements in its meeting held on May 25, 2023.

75 The figures for the previous year have been reclassified/ regrouped wherever necessary for better understanding and comparability.

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

SEPC Limited

CIN - L74210TN2000PLC045167

Geetha Jeyakumar

Partner

Membership No: 029409

N K Suryanarayanan

Managing Director & CEO

DIN: 01714066

R Ravichandran

Director

DIN: 01920603

Place: Chennai

Date: May 25, 2023

T.Sriraman

Company Secretary

Membership No:A68102

R S Chandrasekharan

Chief Financial Officer



**CONSOLIDATED
FINANCIAL
STATEMENTS**

INDEPENDENT AUDITOR'S REPORT

To the Members of SEPC Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of SEPC Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of report of other auditor on separate financial statements and on the other financial information of the subsidiary, except for the possible effects of the matter described in Basis for Qualified Opinion section of our report, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at March 31, 2023, consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

1. The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. 33,289.92 Lakhs (March 31, 2022: Rs. 39,645 Lakhs) which is recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment that sufficient taxable profits will be available in the future against which such unabsorbed business losses can be utilised as required by Ind AS 12 on Income taxes, we are unable to ascertain the extent to which the deferred tax asset can be utilized. (Refer Note 43B of the consolidated financial statements).
2. Contract Assets (Non-Current) include Rs. 7,351.90 Lakhs (Net of provisions amounting to Rs. 926.98 Lakhs) (March 31, 2022: Rs. 3,956.02 Lakhs) and Trade Receivables (Non-Current) include Rs. 575.21 Lakhs (Net

of provisions amounting to Rs. 82.99 Lakhs) relating to dues on projects which are not progressing on account of statutory delays faced by the customer. In the absence of positive development in this matter till date, there is uncertainty on the amount that would be recoverable by the Company. Further, we do not have sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the said amounts. Accordingly, we are unable to comment on the carrying value of above-mentioned Contract Asset (Non-Current) and Trade Receivables (Non-Current) and the impact if any, on account of non-provisioning of the said balances on the consolidated financial statements. (Refer to Note 8.1 and Note 11.1 of the Consolidated Financial Statements)

These matters were also qualified in our report on the consolidated Ind AS financial statements for the year ended March 31, 2022.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountant of India ("ICAI") and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit report of other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated financial statements:

- a) Note 42.1(i) of the consolidated financial statements, which describes the implementation of Resolution Plan entered into with the lenders dated June 22, 2022, wherein interest waiver, and the difference between the carrying amounts of the facilities before restructuring and the fair values of the new facilities has been recognised as income and disclosed under Exceptional items in the statement of profit and loss in accordance with INDAS 109 - Financial Instruments.
- b) Note 42.1(ii) to the consolidated financial statements, which states that the management written off an amount of Rs. 5,819.69 Lakhs towards amounts due on

account of work performed on a contract entered into with a customer which was subsequently wrongfully terminated before the completion of the contract due to certain issues at the contract site. Legal disputes / arbitration proceedings have been initiated during the period in respect of projects with the customers.

Our opinion is not modified in respect of these matters.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, Management Report, Management Discussion and Analysis, Chairman's Statement, Director's Report including Annexures to Director's Report, Corporate Governance and Shareholder's information, Business Responsibility and Sustainability Reporting etc but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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. The other information included in the Annual Report, Management Report, Management Discussion and Analysis, Chairman's Statement, Director's Report including Annexures to Director's Report, Corporate Governance and Shareholder's information, Business Responsibility and Sustainability Reporting etc, have not been adjusted for the impacts as described in the Basis for Qualified section above. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Provision for Expected credit loss

Refer to Note 8,10,11,12,15,16 & 20 in the consolidated Ind AS Financial statements

Contract Assets are accounted based on the contractual terms and management's assessment of recoverability from customers. The recoverability of the same is mainly based on certification of the work done as certified by the engineer/expert of the customers as per the specific requirements of the contracts.

Expected credit losses are measured based on the present value of cash shortfalls over the remaining expected lives of the trade receivables and contract assets. The Group estimates and recognises allowance for expected credit losses on these trade receivables and contract assets which involves consideration of ageing status, historical payment records, the likelihood of collection based on the terms of the contract and the credit information of its customers.

We have identified provisioning for expected credit loss as a key audit matter as the calculation of expected credit loss is a complex area and requires management to make significant assumptions and estimations on customer payment trends and behaviour in order to determine the amounts and timing of expected future cash flows.

How the Key Audit Matter was addressed in our audit:

Our audit procedures in respect of this area included:

1. Obtained an understanding of the group's process relating to allowance for credit loss and assessed the management's estimate and related policies used in the credit loss analysis.
2. Verified design, implementation and operating effectiveness of controls over development of the methodology for the computation of provision for expected credit losses including completeness and accuracy of information used in such estimation and computation.
3. Examined, on a test check basis, the objective evidence relating to the impairment of trade receivables and Contract Assets and the key assumptions used in the estimate of the present value of all cash flows.
4. Reviewed the appropriateness of management's ageing analysis based on days past due by examining the original documents (such as invoices and bank deposit advice).
5. Recalculated the ECL for each type of trade receivables and Contract Assets according to the provision matrix to test the arithmetical accuracy.
6. Assessed the adequacy and appropriateness of the disclosures in the financial statements with respect

to expected credit losses in accordance with the requirements of applicable Indian Accounting Standards

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

The Holding Company's Board of Directors and management are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards ("Ind AS") specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

- a. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 15,623.16 Lakhs as at March 31, 2023, total revenues of Rs. 793.85 Lakhs and net cash flows amounting to Rs. 15.13 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

The subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial statements of the subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of the subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and except, for the possible effect of the matter described in the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b. Except for the effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. Except for the effects of the matter described in Basis for Qualified Opinion section above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- g. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 58 to the consolidated financial statements.
 - ii. Except for the possible effect of the matters described in the basis of qualified opinion paragraph above, the group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company.
- iv. 1) The respective Managements of the Holding Company whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of their knowledge and belief as disclosed in note no 65 to the consolidated financial statements, 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 Holding Company or any of such subsidiary to or in any other person or entity, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 2) The respective Managements of the Holding Company whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief as disclosed in note no 65 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary from any person or entity, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other

auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

- v. The group has neither declared nor paid any dividend during the year.
 - vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company incorporated in India only w.e.f. April 1, 2023, reporting under this clause is not applicable.
2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.
 3. According to the information and explanations given to us, Holding Company incorporated in India, have certain remarks included in their reports under the Companies (Auditor's Report) Order 2020 (CARO) which have been

reproduced as per the requirements of the Guidance Note on CARO

Sr. No	Name of the Company	CIN	Type of Company (Holding / Subsidiary/ Associate)	Clause number of the CARO Report which is qualified or Adverse
1	SEPC Limited	L74210TN2000PLC045167	Holding Company	ix (a)

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 23029409BGTMTVK3304

Place: Chennai
Date: May 25, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SEPC LIMITED

Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business

activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statement for the year ended March 31, 2023 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.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner

Place: Chennai
Date: May 25, 2023

Membership No. 029409
UDIN: 23029409BGTMVK3304

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SEPC LIMITED

[Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of SEPC Limited on the consolidated Financial Statements for the year ended March 31, 2023]

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

Qualified Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of SEPC Limited (hereinafter referred to as "the Holding Company") and its subsidiary company (the Holding Company and its subsidiary together referred to as "the Group"), as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary Company, have in all material respects, maintained adequate internal financial controls with reference to consolidated financial statements as of March 31, 2023, based on the internal financial control with reference to consolidated financial statements criteria established by respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI") and except for the possible effects of the material weaknesses described below on the achievement of the objectives of the control criteria, the internal financial controls with reference to consolidated financial statements of the Holding Company were operating effectively as of March 31, 2023.

We have considered the material weaknesses identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2023 consolidated financial statements of the Company, and these material weaknesses have affected our opinion on the consolidated financial statements of the Company for the year ended on that date and we have issued a qualified opinion on the consolidated financial statements

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls with reference to consolidated financial statements as at March 31, 2023:

- a) Provisioning of expected credit loss against contract assets and receivables which are outstanding for a substantial period of time, which could potentially result in the Company not recognizing a provision for the said assets.
- b) Assessment of future taxable profits which could result in recognition of excess deferred tax asset which the Company may not be able to utilize for set-off against sufficient taxable profits..

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to consolidated financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to consolidated financial statements criteria established by the respective companies 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company.

Meaning of Internal Financial Controls With reference to Consolidated Financial Statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as

necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner

Place: Chennai
Date: May 25, 2023

Membership No. 029409
UDIN: 23029409BGTMTVK3304

Consolidated Balance Sheet as at March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at 31-Mar-2023	As at 31-Mar-2022
ASSETS			
Non-current assets			
Property, plant and equipment	6A	3,272.98	3,842.03
Right of Use Assets	6B	322.39	233.09
Intangible assets	7	27.96	32.00
Contract assets	8	7,351.90	3,956.02
Financial assets			
Investments	9	40.93	52.72
Loans	10	697.48	8,131.35
Trade Receivables	11	18,206.25	18,768.50
Other Financial Assets	12	1,041.14	1,091.57
Deferred Tax Assets (Net)	43	40,323.55	43,345.50
Income Tax Assets (Net)	14	1,549.40	1,412.42
Total Non-Current Assets		72,833.98	80,865.20
Current assets			
Contract Assets	15	73,246.59	79,708.74
Financial assets			
Trade receivables	16	29,206.01	37,250.48
Cash and cash equivalents	17	3,304.59	582.67
Other bank balances	18	1,730.33	2,387.49
Other Financial Assets	19	123.37	879.25
Other Current assets	20	19,737.49	20,052.12
Assets classified as held for sale	21	-	596.06
Total Current Assets		1,27,348.38	1,41,456.81
Total Assets		2,00,182.36	2,22,322.01
EQUITY AND LIABILITIES			
Equity			
Equity share capital	22	1,32,152.90	97,152.90
Other equity	23	(23,503.32)	(23,352.89)
Non-Controlling Interest	23	159.58	146.61
Total Equity		1,08,809.16	73,946.62
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Lease Liabilities	6B	252.04	201.93

Consolidated Balance Sheet as at March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at 31-Mar-2023	As at 31-Mar-2022
Borrowings	24	26,616.64	15,364.47
Other financial liabilities	25	4,024.26	4,465.38
Provisions	26	479.77	540.50
Contract Liabilities	27	2,078.30	2,202.91
Total Non-Current Liabilities		33,451.01	22,775.19
Current liabilities			
Financial liabilities			
Lease Liabilities	6B	98.45	36.60
Borrowings	28	13,966.58	82,462.97
Trade payables			
Total outstanding dues other than micro enterprises and small enterprises	29	37,957.02	33,968.22
Other financial liabilities	30	1,625.07	1,875.25
Other current liabilities	31	445.95	689.94
Contract Liabilities	32	3,432.75	5,934.03
Provisions	33	396.37	633.19
Total Current Liabilities		57,922.19	1,25,600.20
Total Liabilities		91,373.20	1,48,375.39
Total Equity and Liabilities		2,00,182.36	2,22,322.01

Summary of significant accounting policies 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

SEPC Limited

CIN - L74210TN2000PLC045167

Geetha Jeyakumar

Partner

Membership No: 029409

N K Suryanarayanan

Managing Director & CEO

DIN: 01714066

R Ravichandran

Director

DIN: 01920603

Place: Chennai

Date: May 25, 2023

T.Sriraman

Company Secretary

Membership No:A68102

R S Chandrasekharan

Chief Financial Officer

Consolidated Statement of Profit and Loss for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	34	37,884.66	32,945.65
Other income	35	2,003.15	1,113.42
Total income		39,887.81	34,059.07
Expenses			
Erection, Construction & Operation Expenses	36	31,905.03	29,002.23
Changes in inventories of finished goods, stock-in-trade and work-in-progress	37	-	248.20
Employee benefits expense	38	3,340.15	3,699.44
Finance costs	39	6,039.75	11,568.38
Depreciation and amortization expense	40	614.73	582.66
Other expenses	41	9,271.71	4,689.27
Total expenses		51,171.37	49,790.18
Loss before exceptional items and tax		(11,283.56)	(15,731.11)
Exceptional items- (income)/ expense	42	(13,815.13)	6,361.26
Profit /(Loss) before tax		2,531.57	(22,092.37)
Income tax expense	43		
Current tax		-	-
Deferred tax		3,021.95	4,278.00
Total income tax expense		3,021.95	4,278.00
Loss for the year		(490.38)	(26,370.37)
Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (loss) on defined benefit plans (Net of Taxes)		(56.38)	15.61
Fair Value of Equity Instruments through OCI (Net of Taxes)		(11.79)	39.01
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other Comprehensive (loss) / Income for the year		(68.17)	54.62
Total Comprehensive Income/(Loss) for the year		(558.55)	(26,315.75)

Consolidated Statement of Profit and Loss for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Earnings / (Loss) per share	44		
Basic earnings /(loss) per share (₹)		(0.04)	(2.71)
Diluted earnings /(loss) per share (₹)		(0.04)	(2.71)
Face value per equity share (₹)		10.00	10.00

Summary of significant accounting policies 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

SEPC Limited

CIN - L74210TN2000PLC045167

Geetha Jeyakumar

Partner

Membership No: 029409

N K Suryanarayanan

Managing Director & CEO

DIN: 01714066

R Ravichandran

Director

DIN: 01920603

Place: Chennai

Date: May 25, 2023

T.Sriraman

Company Secretary

Membership No:A68102

R S Chandrasekharan

Chief Financial Officer

Consolidated Statement of changes in equity for the year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

(A) Equity share capital	As at 31-03-2023		As at 31-03-2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid				
Outstanding at the Beginning of the year	97,15,29,018	97,152.90	97,15,29,018	97,152.90
Add: Shares issued during the year	35,00,00,000	35,000	-	-
Outstanding at the End of the year	1,32,15,29,018	1,32,152.90	97,15,29,018	97,152.90

(B) Other equity

Particulars	Securities premium account	General reserve	Capital reserve	Retained earnings	Share of reserve from an associate	Foreign currency monetary item translation difference account	Non controlling interest	Components of Other Comprehensive Income		Total
								Re-measurement gains/ (losses) on defined benefit plans (Net of Tax)	Equity instruments through Other Comprehensive Income	
Balance as at April 01, 2021	1,91,225.43	561.93	12.92	(1,93,436.12)	4,700.99	32.46	142.73	148.07	(30.50)	3,357.91
Profit/ (Loss) for the year	-	-	-	(26,370.37)	-	(252.32)	3.88	-	-	(26,616.81)
Transfer	-	-	-	4,700.99	(4,700.99)	-	-	-	-	-
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	15.61	39.01	54.62
Total other comprehensive income/ (loss) for the year	-	-	-	(21,669.38)	(4,700.99)	(252.32)	3.88	15.61	39.01	(26,564.19)
Balance as at April 01, 2022	1,91,225.43	561.93	12.92	(2,15,105.50)	-	(219.86)	146.61	163.68	8.51	(23,206.28)
Profit/ (Loss) for the year	-	-	-	(490.38)	-	408.12	12.97	-	-	(69.29)
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	(56.38)	(11.79)	(68.17)
Total other comprehensive income/ (loss) for the year	-	-	-	(490.38)	-	408.12	12.97	(56.38)	(11.79)	(137.46)
Issue of Equity shares	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	1,91,225.43	561.93	12.92	(2,15,595.88)	-	188.26	159.58	107.30	(3.28)	(23,343.74)

Summary of significant accounting policies 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No: 029409

Place: Chennai

Date: May 25, 2023

For and on behalf of the Board of Directors of

SEPC Limited

CIN - L74210TN2000PLC045167

N K Suryanarayanan

Managing Director & CEO

DIN: 01714066

T.Sriraman

Company Secretary

Membership No:A68102

R Ravichandran

Director

DIN: 01920603

R S Chandrasekharan

Chief Financial Officer

Consolidated Statement of cash flows for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	March 31,2023	March 31,2022
Cash flow from operating activities		
Profit / (Loss) before tax	2,531.57	(22,092.37)
Adjustments for:		
Depreciation and amortization expenses	614.73	582.66
Provision for Gratuity	76.34	124.63
Provision for Compensated Absences	(158.56)	150.81
Provision for Doubtful Trade Receivable & Contract Assets	5,690.78	1,831.49
Contract assets & Bad debts written off	4,453.20	103.35
Finance cost	6,039.75	12,534.31
Interest income	(312.72)	(1,074.50)
Fair value gain on loan- as per IND AS 109	(613.58)	
Liabilities written back	(911.59)	(38.92)
Loss on sale of fixed asset	336.27	99.18
Gain on debt restructuring	(19,634.82)	
Impairment loss allowance on contract assets and receivables	5,819.69	6,361.26
Operating Profit / (Loss) before working capital changes	3,931.08	(1,418.10)
Changes in working capital		
Increase/(Decrease) in trade payables	4,459.27	4.54
Decrease in inventories	-	248.20
(Increase)/Decrease in trade receivables	8,291.04	3,237.95
Decrease in loans and advances	(0.00)	2,781.95
Decrease in other Current liabilities	(243.98)	(2,757.25)
Decrease in contract liabilities	(2,625.89)	(4,821.51)
Decrease in Short Term provisions	(134.64)	(52.91)
Decrease in Long Term provisions	(137.07)	(169.82)
Increase in other financial liabilities	(250.18)	314.00
Decrease in other financial assets	794.34	59.53
(Increase) / Decrease in other current assets	314.62	675.43
Increase/ (Decrease) in Contract Assets	(12,173.61)	(3,386.25)
Cash (used in) / from operations	2,224.98	(5,284.24)
Income tax paid	(136.97)	(1,915.15)
Net cash (used in) / from operating activities (A)	2,088.01	(7,199.39)
Cash flow from Investing activities		
Payment for property, plant and equipment and intangible assets	(13.91)	(1.10)
Movement in Bank balances not considered as Cash and cash equivalents (Net)	657.16	(479.39)
Proceeds from sale/ disposal of fixed assets	292.15	4.49
Interest received	312.72	578.52
Net cash flow from investing activities (B)	1,248.11	102.52

Consolidated Statement of cash flows for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	March 31,2023	March 31,2022
Cash flow from Financing activities		
Proceeds from Capital	35,000.00	-
Proceeds from Short term borrowings (net)	359.20	6,875.28
Proceeds from Long term borrowings	16,488.78	-
Repayment of Short term borrowings	(48,247.99)	-
Interest and Finance Charges Paid	(4,156.00)	-
Repayment of finance lease obligation	(58.19)	(36.60)
Net cash flow (used in) / from financing activities (C)	(614.20)	6,838.68
Net increase in cash and cash equivalents (A+B+C)	2,721.92	(258.19)
Cash and cash equivalents at the beginning of the year	582.67	840.86
Cash and cash equivalents at the end of the year	3,304.59	582.67
Cash and cash equivalents comprise		
Cash and cash equivalents as per Balance Sheet	5,034.92	2,970.16
Less: Bank balances not considered as Cash and cash equivalents as defined in Ind-AS 7 Cash Flow Statements	1,730.33	2,387.49
	3,304.59	582.67

Summary of significant accounting policies 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

SEPC Limited

CIN - L74210TN2000PLC045167

Geetha Jeyakumar

Partner

Membership No: 029409

N K Suryanarayanan

Managing Director & CEO

DIN: 01714066

R Ravichandran

Director

DIN: 01920603

Place: Chennai

Date: May 25, 2023

T.Sriraman

Company Secretary

Membership No:A68102

R S Chandrasekharan

Chief Financial Officer

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

1 General Information

SEPC Limited (the “Company” or “SEPC”) has diverse interests across Project Engineering & Construction. The company provides end-to-end solutions to engineering challenges, offering multi disciplinary design, engineering, procurement, construction and project management services. SEPC is focused on providing turnkey solutions for ferrous & non ferrous, cement, aluminum, copper and thermal power plants, water treatment & transmission, renewable energy, cooling towers & material handling.

The Company along with the Joint operators enters into contracts with the customers for execution of the projects. The Company’s share as per such contracts is listed below. However, the Company as a Joint operator, recognises assets, liabilities, income and expenditure held/incurred jointly with other partners in proportion to its interest in such joint arrangements in compliance with applicable accounting standards taking into account the related rights and obligations applicable in the respective jointly controlled operations.

Joint operators	% of SEPC's Share
Larsen & Toubro limited shriram EPC JV	10%
Shriram EPC Eurotech Environment Pvt Ltd - JV*	100%
SEPC DRS ITPL JV*	100%
Mokul Shriram EPC JV*	50%

*Unincorporated Joint Ventures

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

The financial statements have been prepared using significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements

(a) Statement of Compliance with Ind AS

The Company’s financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards). Rules, 2015 and amendments thereof issued by Ministry of Corporate

Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financial statements have been approved for issue by the Board of Directors at its meeting held on May 25, 2023

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except certain financial assets and liabilities measured at fair value (Refer Accounting Policy No. 2.15 on financial instruments).

All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The normal operating cycle of the entity for Construction contracts is the duration of 2 to 3 years depending on each contract.

(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (“the Act”). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees in Lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013.

(d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, fair value measurement, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.. Refer Note 3 for detailed discussion on estimates and judgments.

(e) Interests in Joint Operations

When the Company has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as joint operations. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Company recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Holding Company and its subsidiaries are combined for consolidation.

2.2 Property, plant and equipment (PPE)

Property, plant and equipment is recognised when 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. PPE are stated at original cost net of taxes/duty credits availed , if any less accumulated depreciation and cumulative impairment, if any. PPE acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs

capitalised in accordance with the company's accounting policy.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when 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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Useful Life
Leasehold improvement*	Lease period or life of asset whichever is lower
Buildings	30 years
Plant & Machinery	2 to 20 years
Furniture and fixtures & Electrical Installations	10 years
Office equipment	5 to 10 years
Computers	
- Servers	6 years
- End user devices such as laptops, desktops	3 years

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate. Freehold land is not depreciated.

2.3 Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost, net of tax/duty credits availed, if any less accumulated amortization and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to the acquisition of intangible assets are allocated and capitalized as part of cost of the intangible asset.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful life
Technical know how	5 to 10 years
Computer Software	5 years

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and Intangible Assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and Intangible Assets are tested for impairment, so as to determine the impairment loss, if any. Goodwill and Intangible Assets with indefinite life are tested for impairment each year.

2.4 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.5 Fair value measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS and certain items of property, plant and equipment that were revalued in earlier years in accordance with the I-GAAP principles. The carrying value of all the items of property, plant and equipment as on date of transition is considered as the deemed cost.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement.

Fair value measurements under Ind AS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets/liabilities

2.6 Revenue Recognition

A. The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely

amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price. Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit and Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfill a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

B. Revenue from construction contracts/project related activity and contracts for supply/commissioning of complex plant and equipment is recognised as follows:

Fixed price contracts: Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to condition that it is probable the such cost will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to date, to the total estimated contracts cost.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

- (i) The amount of revenue can be measured reliably;
- (ii) It is probable that the economic benefits associated with the contract will flow to the company;
- (iii) The stage of completion of the contract at the end of the reporting period can be measured reliably; and
- (iv) The costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognised profits (or recognised losses, as the case may be), the surplus is shown as the amount due to customers. Amounts received before the related work is performed are disclosed in the Balance sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance sheet as trade receivables. The amount of retention money due from customers within the next twelve months are classified under other current assets as Trade Receivable.

Revenue from contracts from rendering engineering design services and other services which are directly related to construction of an asset is recognised on the same basis as stated in (B) above.

Other Operational Revenue

Other Operational Revenue represents income earned from activities incidental to the business and is recognized when the right to receive income is established as per the terms of contract.

Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend income is accounted in the period in which the right to receive the same is established.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

2.7 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The company has not opted to exercise the option under section 115BAA of the income tax 1961, as introduced by the taxation laws (Amendment) ordinance, 2019 and decided to continue with the existing rate of tax for the purpose of deferred tax computation.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

2.8 Leases

The Indian accounting standard on lease (Ind AS 116) requires entity to determine whether a contract is or contains a lease at inception of the contract. Ind AS 116 requires lessee to recognise a liability to make lease payments and an asset representing the right-of-use asset during the lease term for all leases except for short term leases and leases of low-value assets, if they choose to apply such exemptions

Payments associated with short-term leases and low value assets are recognized as expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less. At the commencement date, Company recognise a right-of-use asset measured at cost and a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate

The cost of the right-of-use asset comprised of, the amount of the initial measurement of the lease liability, any lease payments made at or before the

commencement date, less any lease incentives received

At the commencement date, the lease payments included in the measurement of the lease liability comprise (a) fixed payments less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (c) amounts expected to be payable by the lessee under residual value guarantees;(d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Depreciation on Right-of-use asset is recognised in statement of profit and Loss on a straight line basis over the period of lease and the Company separately recognises interest on lease liability as a component of finance cost in statement of Profit and Loss.

2.9 Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

2.10 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax 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 recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

2.12 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) uncalled liability on shares and other investments partly paid;
- c) funding related commitment to subsidiary, associate and joint venture companies; and
- d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.13 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand, cheques in transit and demand deposits with banks.

For the purposes of the cash flow statement, Cash and Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.14 Statement of Cash Flows:

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of :

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- iii. all other items for which the cash effects are investing or financing cash flows.

2.15 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) Initial recognition and measurement

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023 (Amount in ₹ lakhs, unless otherwise stated)

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

The company has currently exercised the irrevocable option to present in Other comprehensive Income, subsequent changes in the Fair value of Equity Instruments. Such an election has been made on instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

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 shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet, ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

2.16 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected

to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

2.17 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.19 Inventory- (Contract Work in progress)

Contract Work in progress are valued at cost or net realisable value, whichever is lower. Cost comprises all direct development expenditure.

2.20 Non-Current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

4 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

(c) Construction Contracts

Recognizing construction contract revenue requires significant judgement in determining actual work performed and the estimated costs to complete the work, provision for rectification costs, variation claims etc

(d) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forwards can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

5 Standards (including amendments) issued but not yet effective

Recent Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

6A Property, plant and equipment - Current Year

Block of Assets	Gross block				Depreciation				Net block	
	As at 1 April 2022	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2023	As at 1 April 2022	For the year	Deductions/ Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Owned assets										
Freehold land	241.50	-	-	241.50	-	-	-	-	241.50	241.50
Leasehold Improvements	350.15	-	-	350.15	197.29	18.56	-	215.85	134.30	152.86
Buildings	146.86	-	-	146.86	70.61	20.46	-	91.07	55.79	76.25
Plant and Machinery	5,577.72	8.12	369.07	5,216.77	2,283.98	482.42	332.86	2,433.54	2,783.23	3,293.74
Furniture and Fixtures	68.03	-	-	68.03	51.02	5.19	-	56.21	11.82	17.01
Office Equipment	12.17	-	-	12.17	11.33	0.65	-	11.98	0.19	0.84
Computers	90.93	5.79	2.98	93.74	45.79	14.36	2.98	57.17	36.57	45.13
Vehicle	51.75	-	39.96	11.79	37.05	5.28	40.12	2.21	9.58	14.70
Total	6,539.11	13.91	412.01	6,141.01	2,696.99	546.92	375.96	2,868.03	3,272.98	3,842.03

Property, plant and equipment - Previous Year

Block of Assets	Gross block				Depreciation				Net block	
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at April 01, 2021	For the year	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Owned assets										
Freehold land	241.50	-	-	241.50	-	-	-	-	241.50	241.50
Leasehold Improvements	350.15	-	-	350.15	190.01	7.28	-	197.29	152.86	160.14
Buildings	147.76	-	0.90	146.86	28.48	44.70	2.57	70.61	76.25	119.28
Plant and Machinery	5,836.45	-	258.73	5,577.72	1,998.08	461.23	175.32	2,283.98	3,293.74	3,838.37
Furniture and Fixtures	90.92	-	22.89	68.03	43.85	9.38	2.21	51.02	17.01	47.07
Office Equipment	13.17	-	1.00	12.17	11.71	2.25	2.63	11.33	0.84	1.46
Computers	177.37	14.97	101.41	90.93	127.14	18.36	99.71	45.79	45.13	50.23
Vehicle	51.75	-	-	51.75	33.45	5.67	2.07	37.05	14.70	18.30
Total	6,909.06	14.97	384.93	6,539.11	2,432.72	548.87	284.59	2,696.99	3,842.03	4,476.34

No Property, plant and equipment has been revalued

Refer Note no 24 for Property, Plant and Equipment pledged as security in respect of borrowings

6B The details of the right-of-use asset held by the Company is as follows:

Particulars	Building	Total
Balance as at April 01, 2021	-	-
Additions	262.85	262.85
Deletion	-	-
Depreciation	(29.76)	(29.76)
Balance as at March 31, 2022	233.09	233.09
Additions	153.07	153.07
Deletion	-	-
Depreciation	(63.77)	(63.77)
Balance as at March 31, 2023	322.39	322.39

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	Building	Total
Balance as at April 01, 2021	-	-
Additions	252.00	252.00
Interest expense	23.13	23.13
Lease payments	(36.60)	(36.60)
Balance as at March 31, 2022	238.53	238.53
Additions	141.09	141.09
Interest expense	29.06	29.06
Lease payments	(58.19)	(58.19)
Balance as at March 31, 2023	350.49	350.49

Breakup of current and non-current lease liabilities

Particulars	31-Mar-23	31-Mar-22
Current lease liabilities	98.45	36.60
Non-current lease liabilities	252.04	201.93

7 Intangible assets - Current Year

Block of Assets	Gross block				Depreciation				Net block	
	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at April 01, 2022	For the year	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Computer Software	43.12	-	-	43.12	23.33	1.79	-	25.12	18.00	19.79
Technical Knowhow	54.22	-	-	54.22	42.01	2.25	-	44.26	9.96	12.21
Total	97.34	-	-	97.34	65.34	4.04	-	69.38	27.96	32.00

Intangible assets - Previous Year

Block of Assets	Gross block				Depreciation				Net block	
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at April 01, 2021	For the year	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Computer Software	43.12	-	-	43.12	21.54	1.79	-	23.33	19.79	21.58
Technical Knowhow	54.22	-	-	54.22	39.76	2.25	-	42.01	12.21	14.46
Total	97.34	-	-	97.34	61.30	4.04	-	65.34	32.00	36.04

8 Contract Assets (Non current)	As at 31 March 2023	As at 31 March 2022
Contract Assets (Refer 8.1 below)	8,278.88	4,883.00
Less: Provision for Expected Credit Loss	(926.98)	(926.98)
Total	7,351.90	3,956.02

8.1 Contract asset(Non- Current) includes Rs. 7,351.90 lakhs(net of provisions amounting to Rs. 926.98 lakhs)(March 31, 2022, Rs.3,956.02 lakhs) from projects which are stalled due to delays in statutory approvals faced by the customer. Considering the ongoing negotiations with the customers', Management is confident of recovering the dues in full.

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

9 Financial Assets- Investments (Non Current)	As at 31 March 2023	As at 31 March 2022
Investment in Others - Equity investments at fair value through other comprehensive income (FVOCI)		
Quoted		
386,526 Equity Shares (Previous year: 386,526 Equity Shares) of ₹ 10/- each fully paid up in Orient Green Power Company Limited	40.93	52.72
Unquoted		
4,076,474 Equity shares (Previous year: 4,076,474 Equity Shares) of ₹ 10/- each fully paid up in Leitwind Shriram Manufacturing Private Limited	407.56	407.56
Less: Provision for Diminution in value of Investments	(407.56)	(407.56)
	40.93	52.72
Total (A+B)	40.93	52.72
Aggregate book value of:		
Quoted investments	40.93	52.72
Unquoted investments	-	-
Aggregate Market value of:		
Quoted investments	40.93	52.72
Unquoted investments	-	-
Aggregate amount of impairment in value of Investments	407.56	407.56
10 Financial assets - Loans (Non current)	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
- Considered Good	10,968.55	18,402.42
- Considered doubtful	306.10	306.10
Less: Provision made	(306.10)	(306.10)
Net amount	10,968.55	18,402.42
Less: Provision for Expected Credit Loss	(10,271.07)	(10,271.07)
Total	697.48	8,131.35
10.1 Loans includes due from:	As at 31 March 2023	As at 31 March 2022
i) Related Parties:		
Leitwind Shriram Manufacturing Private Limited- Rs. Nil (Net of provision of expected credit loss Rs. 9,141.70 Lakhs), Previous year: March 31, 2022 -Rs.477.77 Lakhs (Net of provision of Rs. 9,141.70 lakhs) Refer 10.2 below	-	477.77

10.2 Financial Assets Loans (Non Current) include Rs. NIL (March 31, 2022: Rs. 477.77 Lakhs) due from Leitwind Shriram Manufacturing Pvt Limited (LSML) (a related party). During the year loans amounting to Rs. 7,433.87 Lakhs has been taken over by SVL Limited (Erstwhile entity exercising significant influence over the Company). Also refer to Note 48

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

11 Trade Receivables - (Non current)	As at 31 March 2023	As at 31 March 2022
Trade Receivables - Retention Money		
Considered Good	18,086.76	18,768.50
Considered doubtful	2,680.19	2,267.44
Less: Provision for expected credit loss	(2,680.19)	(2,267.44)
	18,086.76	18,768.50
Trade Receivables		
Considered Good (Refer note below)	119.49	-
Considered doubtful	322.16	301.79
Less: Provision for expected credit loss	(322.16)	(301.79)
	119.49	-
Total	18,206.25	18,768.50

11.1 Trade receivable (Non – Current) includes an amount of Rs. 575.21 lakhs (net of Provisions amounting to Rs. 82.99 lakhs) from projects which are stalled due to delays in statutory approvals faced by the customer. Considering the ongoing negotiations with the customers' Management is confident of recovering the dues in full.

11A Trade receivables -Non Current-ageing schedule

31-03-2023

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	16,386.51						16,386.51
- Credit impaired		-	-	-	-	2,011.45	2,011.45
	16,386.51	-	-	-	-	2,011.45	18,397.96
Less: Credit impaired							(2,011.45)
Sub total (a)							16,386.51
Disputed							
- Considered good	1,700.25	-	-	-	-	119.49	1,819.74
- Credit impaired	-	-	-	-	-	990.90	990.90
	1,700.25	-	-	-	-	1,110.39	2,810.64
Less: Credit impaired							(990.90)
Sub total (b)	1,700.25	-	-	-	-	1,110.39	1,819.74
Total (a) + (b)							18,206.25

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

31-03-2022

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	16,810.77	-	-	-	-	-	16,810.77
- Credit impaired	-	-	283.83	-	-	1,294.49	1,578.32
	16,810.77	-	283.83	-	-	1,294.49	18,389.09
Less: Credit impaired							(1,578.32)
Sub total (a)							16,810.77
Disputed							
- Considered good	1,957.73	-	-	-	-	-	1,957.73
- Credit impaired	-	-	-	-	-	990.90	990.90
	1,957.73	-	-	-	-	990.90	2,948.63
Less: Credit impaired						990.90	(990.90)
Sub total (b)							1,957.73
Total (a) + (b)	-	-	-	-	-	-	18,768.50

12 Other financial assets (Non current)	As at 31 March 2023	As at 31 March 2022
Deposits	1,174.00	1,050.18
Credit Impaired		132.86
Less: Provision for Expected Credit Losses	(132.86)	(132.86)
Deposit accounts with maturity for more than twelve months from the balance sheet date	-	41.38
	1,041.14	1,091.57

13 Deferred Tax Assets (Net)	As at 31 March 2023	As at 31 March 2022
Deferred Tax Assets (Net) (refer Note 43)	43,345.50	43,345.50
	43,345.50	43,345.50

14 Income Tax Assets (Net)	As at 31 March 2023	As at 31 March 2022
Advance Tax & Tax deducted at source (Net of Provision for Tax (March 31,2023 ₹ 5,540.74 lakhs (March 31 2022 ₹ 5,540.74 lakhs))	1,549.40	1,412.42
Total	1,549.40	1,412.42

15 Contract assets	As at 31 March 2023	As at 31 March 2022
Contract Assets (Refer Note 15.1 & 42)	78,215.17	83,029.75
Less: Provision for Expected Credit Loss	(4,968.58)	(3,321.01)
Total	73,246.59	79,708.74

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

15.1 The above Contract Assets includes materials at project site amounting to Rs. 22,651 lakhs (Previous year March 31, 2022 Rs. 25,512.38 lakhs)

15.2 Movement in loss allowance is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	3,321.01	910.95
Additions / Transfer	4,968.58	2,410.06
Utilizations / Reversals	(3,321.01)	-
Closing balance	4,968.58	3,321.01

16 Trade receivables	As at 31 March 2023	As at 31 March 2022
Unsecured		
-Considered good	21,952.31	29,567.80
-Considered doubtful	9,301.61	9,075.87
Less: Provision for doubtful debts	(9,301.61)	(9,075.87)
Trade Receivable - Retention monies		
-Considered good	7,253.70	7,682.68
-Considered doubtful	63.33	-
Less: Provision for doubtful debts	(63.33)	-
Net	29,206.01	37,250.48

16.1 The average credit period allowed to customers is between 30 days to 60 days. The credit period is considered from the date of Invoice. Further, a specified amount of bill is held back by the customer as retention money, which is payable as per the credit period, from the date such retention becomes due. The retention monies held by customers become payable on completion of a specified milestone or after the Defect Liability Period of the project, which is normally 1 year after the completion of the project, as per terms of respective contract. No Interest is payable by the customers for the delay in payments of the amounts over due. The Company evaluates, the financial health, market reputation, credit rating of the customer, before entering into the contract. The company's customers comprise of public sector undertakings as well as private entities.

16.2 Trade receivable include due from related parties amounting to Rs.3635.66 Lakhs (March 31, 2022- 3,635.66 Lakhs) (Refer Note 48 C)

Trade receivables ageing schedule

31-03-2023

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	5,412.35	2,361.98	261.66	3,105.67	7,452.20	9,148.61	27,742.47
- Credit impaired	-	-	-	1,837.12	-	7,120.32	8,957.44
	5,412.35	2,361.98	261.66	4,942.79	7,452.20	16,268.93	36,699.91
Less: Credit impaired							(8,957.44)
Sub total (a)							27,742.47

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Disputed							
- Considered good	-	-	1,396.44	-	3.36	63.74	1,463.54
- Credit impaired	-	-	267.29	-	-	140.21	407.50
	-	-	1,663.73	-	3.36	203.95	1,871.04
Less: Credit impaired							(407.50)
Sub total (b)							1,463.54
Total (a) + (b)							29,206.01

31-03-2022

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	5,139.54	2,464.46	2,588.29	10,973.19	5,178.63	8,339.63	34,683.74
- Credit impaired	-	-	1,837.12	-	-	6,894.15	8,731.27
	5,139.54	2,464.46	4,425.41	10,973.19	5,178.63	15,233.78	43,415.01
Less: Credit impaired							(8,731.27)
Sub total (a)							34,683.74
Disputed							
- Considered good	-	1,396.43	-	1,038.05	-	132.26	2,566.74
- Credit impaired	-	267.29	-	-	-	77.32	344.61
	-	1,663.72	-	1,038.05	-	209.58	2,911.35
Less: Credit impaired							(344.61)
Sub total (b)							2,566.74
Total (a) + (b)							37,250.48

Notes:

Movement in loss allowance is as follows: (Trade receivables- current and non current)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	11,645.10	8,492.95
Additions / Transfer	722.19	3,152.15
Utilizations / Reversals	-	-
Closing balance	12,367.29	11,645.10

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

17 Cash and bank balances	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
Balances with banks		
In current accounts	2,383.74	506.33
Margin Money (Original Maturity of less than 3 Months)	920.40	75.75
Cash on hand	0.45	0.59
Total	3,304.59	582.67

18 Other Bank Balances	As at 31 March 2023	As at 31 March 2022
Deposit Account (Original Maturity of 3 Months to 12 Months)	223.71	224.88
Margin Money (Original Maturity of More than 3 Months to 12 Months)	1,506.62	2,162.61
Total	1,730.33	2,387.49

19 Other Current Financial assets	As at 31 March 2023	As at 31 March 2022
Security deposit	100.55	59.17
Interest Receivable	22.82	820.08
Total	123.37	879.25

20 Other current assets	As at 31 March 2023	As at 31 March 2022
Advances to Employees	45.09	62.75
Balance with Government Authorities	4,794.70	4,305.93
Prepaid Expenses	35.84	21.28
Other Advances	11.24	2,310.06
Advances to Suppliers	-	
- Considered good	14,850.62	13,352.10
- Considered doubtful	1,640.30	1,640.30
Less : Provision for doubtful Advances	(1,640.30)	(1,640.30)
	14,850.62	13,352.09
Total	19,737.49	20,052.12

21 Assets classified as held for sale	As at 31 March 2023	As at 31 March 2022
Asset held for Sale	-	596.06
Total	-	596.06

Assets held for sale represents the assets taken over from Afcons Infrastructure Limited (AIL) pursuant to a mutual agreement between AIL, Valecha Engineering Limited (VEL) and the Company in settlement of dues receivable from VEL Ltd.

Disclosure pursuant to Ind AS 105 - Major classes of assets and liabilities classified as held for sale:	As at 31 March 2023	As at 31 March 2022
Property, Plant and Equipment	-	596.06

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

22 A. Equity Share capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorized		
1,400,000,000 (31 March 2022 1,400,000,000,) Equity Shares of ₹ 10 each	1,40,000.00	1,40,000.00
	1,40,000.00	1,40,000.00
Issued, subscribed and paid up		
1,321,529,018 (31 March 2022: 971,529,018) Equity shares of ₹ 10 each fully paid	1,32,152.90	97,152.90
	1,32,152.90	97,152.90

B. Preference Share capital

The Company has preference share capital having a par value of ₹ 100 per share, referred to herein as preference share capital

	As at 31 March 2023	As at 31 March 2022
Authorized		
30,000,000 (31 March 2022: 30,000,000) Convertible Preference Shares of ₹ 100 each	30,000.00	30,000.00
Total	30,000.00	30,000.00

(a) Reconciliation of Equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2023	As at 31 March 2022
	No of shares	No of shares
Outstanding at the beginning of the year	97,15,29,018	97,15,29,018
Add: Issued during the year	35,00,00,000	-
Outstanding at the end of the year	1,32,15,29,018	97,15,29,018

(b) Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
	No of shares	% holding	No of shares	% holding
Equity Shares				
Mark AB Capital Investments LLC	35,00,00,000	26.48	-	-
SVL Limited (Refer Note (c) Below)	21,35,41,894	16.16	27,93,91,356	28.76
State Bank of India	12,56,34,843	9.51	12,56,34,843	12.93
Punjab National Bank	10,18,10,880	7.70	10,22,35,172	10.52

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
	No of shares	% holding	No of shares	% holding
Central Bank of India	9,35,70,276	7.08	9,35,70,276	9.63

(c) Details of shares held by Promoters

Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
	No of shares	% holding	No of shares	% holding
Mark AB Capital Investments LLC	35,00,00,000	26.48	-	-
Mark AB Welfare Trust	6,07,49,462	4.60	-	-
SVL Limited*	-	-	27,93,91,356	28.76

*The stock exchanges vide their letters dated February 02, 2023 has approved Mark AB Capital Investment LLC, Dubai as promoters and SVL Limited has been reclassified under Public holding with effect from February 03, 2023.

(d) Terms/rights attached to the shares

The Company has issued equity shares having a par value of ₹ 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting rights.

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.

The Company has only one class of share capital, i.e., equity shares having face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

(e) Preferential issue of equity shares during past five years:

Particulars	2017-18			
	No.shares	Face value of Rs.10/-	Premium	Total
KPR Investment private limited	1,29,19,896	1,292	2,208.01	3,500.00
Lender Bank- Conversion of funded interest term Loan (FITL)	10,193	1	2.34	3.36
Lender bank - Conversion of Interest sacrifice	24,03,425	240	722.23	962.57
Lender Bank- Conversion of Working capital term Loan (WCTL)	1,92,27,563	1,923	2,547.65	4,470.41

There is no Preferential issue of Equity during the year ended March 31, 2019, March 31, 2020, March 31, 2021 & March 31, 2022

Preferential issue of equity shares during the current year (2022-23):

Particulars	2022-23			
	No.shares	Face value of Rs.10/-	Premium	Total
Mark AB Capital Investments LLC	35,00,00,000	35,000	-	35,000

f) The Resolution Plan (RP) was implemented by the Company and Lenders, upon completion of compliance of all conditions precedent to the satisfaction of the consortium lenders and RP was effective from September 30, 2022, with change in Management as per the RP formulated under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 vide its circular dated June 07, 2019 ("the RBI Circular" / "Regulatory Framework"). Consequent to the implementation of resolution plan, Mark AB Capital Investment LLC, Dubai acquired 26.48% in equity of the Company.

During the year ended March 31, 2023, pursuant to the Resolution Plan, Company has received Rs. 35,000 Lakhs of equity and has allotted 35,00,00,000 equity shares of Rs. 10 each on preferential basis to Mark AB Capital Investment LLC, Dubai

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

and shall be subject to lock-in for such period as may be prescribed under the ICDR Regulations. As at September 30, 2022 the Company has utilized the entire proceeds towards the intended purpose. The paid-up equity capital of the Company as on date is Rs. 1,32,152.90 Lakhs - divided into 1,32,15,29,018 equity shares of Rs.10/- each.

During the Year ended March 31, 2023, pursuant to the Resolution Plan, Company has issued 1,75,00,000 Compulsorily Convertible Debentures(CCD) of Rs. 100/- each and 1,75,00,000 Non-Convertible Debenture(NCD) of Rs. 100/- each aggregating to Rs. 35,000 Lakhs by way of conversion of existing loans of lenders. (Refer Note no 24.2)

23 Other equity

(A) Other equity	As at 31 March 2023	As at 31 March 2022
Securities premium reserve (Refer Note (i) below)	1,91,225.43	1,91,225.43
General reserve (Refer Note (ii) below)	561.93	561.93
Capital Reserve (Refer Note (iii) below)	12.92	12.92
Deficit in the Statement of Profit and Loss (Refer Note (iv) below)	(2,15,595.88)	(2,15,105.50)
Re-measurement gains/ (losses) on defined benefit plans (Net of Tax) (Refer Note (vi) below)	107.30	163.68
Investments FVTOCI Reserve on equity instruments (Refer Note (v) below)	(3.28)	8.51
Foreign currency monetary item translation diff account (Refer Note (vii) below)	188.26	(219.86)
Non - controlling Intrest	159.58	146.61
Total	(23,343.74)	(23,206.28)

(i) Securities premium reserve	As at 31 March 2023	As at 31 March 2022
Opening balance	1,91,225.43	1,91,225.43
Add : Securities premium credited on issue of shares	-	-
Closing balance	1,91,225.43	1,91,225.43

(ii) General reserve	As at 31 March 2023	As at 31 March 2022
Opening balance	561.93	561.93
Additions/(Transfers)	-	-
Closing balance	561.93	561.93

(iii) Capital Reserve	As at 31 March 2023	As at 31 March 2022
Opening balance	12.92	12.92
Additions/(Transfers)	-	-
Closing balance	12.92	12.92

(iv) Deficit in the Statement of Profit and Loss	As at 31 March 2023	As at 31 March 2022
Opening balance	(2,15,105.50)	(1,93,436.12)
Add: Net loss for year	(490.38)	(26,370.37)
Transfer	-	4,700.99

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

(iv) Deficit in the Statement of Profit and Loss	As at 31 March 2023	As at 31 March 2022
Closing balance	(2,15,595.88)	(2,15,105.50)

(v) Investments FVTOCI Reserve on equity instruments	As at 31 March 2023	As at 31 March 2022
Opening balance	8.51	(30.50)
-Fair valuation changes for the year (net of tax)	(11.79)	39.01
Closing balance	(3.28)	8.51

(vi) Re-measurement (gain)/loss on post employment benefit obligation (net of tax)	As at 31 March 2023	As at 31 March 2022
Opening Balance	163.68	148.07
Additions	(56.38)	15.61
Closing Balance	107.30	163.68

(vii) Foreign currency monetary item translation diff account	As at 31 March 2023	As at 31 March 2022
Opening Balance	(219.86)	32.46
Additions	408.12	(252.32)
Closing Balance	188.26	(219.86)

Nature and Purpose of Reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

General Reserve

The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

Capital reserve

Capital reserve was created under the previous GAAP out of the profit earned from a specific transaction of capital nature. Capital reserve is not available for the distribution to the shareholders.

24 Borrowings -Non-current (Secured, unless otherwise stated)	As at 31 March 2023	As at 31 March 2022
Secured - At Amortized Cost		
From Banks		
Term Loans	1,397.99	6,291.99
Non Convertible debentures(NCD) (Refer note 24.2 below)	9,288.02	-
Compulsorily Convertible Debentures(CCD) (Refer note 24.2 below)	9,178.93	-
From Others		
Term Loans	799.98	8,512.45

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

24 Borrowings -Non-current (Secured, unless otherwise stated)	As at 31 March 2023	As at 31 March 2022
Working Capital Term Loans	-	560.03
Non Convertible debentures(NCD) (Refer note 24.2 below)	2,846.72	-
Compulsorily Convertible Debentures(CCD) (Refer note 24.2 below)	2,805.80	-
Unsecured Loan (Refer note 24.3 below)	299.20	
Total	26,616.64	15,364.47

24.1 Terms of Repayment and Security details

S.No	31-Mar-23	31-Mar-22	Terms of Repayment
Term Loans from Banks*		1,198.00	4 Structured yearly payments commencing from April 2023 to March 2027
Term Loans from Banks**	1,397.99	5,093.99	27 Structured Quarterly repayment commencing from Jun 2018 to September 2025
Non Convertible debentures (NCD) from Banks**	9,288.02	-	26 Structured Halfyearly repayment commencing from October 2022 to March 2035
Compulsorily Convertible Debentures(CCD) from Banks**	9,178.93	-	Fully Convertible on 31st March 2035
Term Loans from Others**	140.00	3,214.61	48 Structured Monthly repayment commencing from April 2023 till March 2027
Term Loans from Others**	659.98	5,857.87	4 Equal yearly repayment commencing from September 2027 to March 2029
Non Convertible debentures(NCD) from Others**	2,846.72	-	26 Structured Halfyearly repayment commencing from October 2022 to March 2035
Compulsorily Convertible Debentures(CCD) from Others**	2,805.80	-	Fully Convertible on 31st March 2035
Unsecured loan	299.20	-	Bullet repayment on 31-Dec-2035. The loan carries interest rate at 0.10% p.a payable half yearly from March 2023 till December 2035
Total	26,616.64	15,364.47	

Security

*Primary Exclusive charge on 5 Wind Electric Generator of 1.5 MW

**First Paripassu charge on Pooled Assets ie., all movable (both fixed, current and non-current) Immovable assets of the company and Corporate Guarantee of

MARK AB LLC Dubai, Mark AB Capital Investments India Private Limited ,SVL Ltd and SVL Trust.However, the Corporate Guarantees of SVL Ltd and SVL Trust shall be released after 18 months from the date of RP , if there is no default for a consecutive period of 12 months as defined in RBI Circular dated 7th June 2019.

24.2 Implementation of Resolution Plan

The Company submitted a debt resolution plan to the lenders for restructuring of the debt ("Resolution Plan") under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 issued by Reserve Bank of India vide its circular dated June 7, 2019 (the "RBI Circular"), which was approved by the consortium lenders and implemented on 30th September 2022.

The key features of the Resolution Plan are as follows:

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

- Equity Infusion by Prospective Investor – Minimum of Rs. 35,000 Lakhs. Preferential Issue of Equity Shares subject to the pricing as per the SEBI (ICDR) Regulations 2015 to the Investor for 26.48% stake in the Company.
- Conversion of a part of the existing bank debts into Rs. 17,500 Lakhs of Non-Convertible Debentures (NCD) and Rs. 17,500 Lakhs of Compulsory Convertible Debenture (CCD).
- Charging rate of interest on the CC facility @ 9.00% p.a. (1 year MCLR + 1.75%) w.e.f 1st October 2020.
- Banks to allow utilization of vacancy in Non-Fund Based Facilities and Fund based limits already sanctioned and available to the Company, post implementation of the plan.
- Prospective Investor to provide Corporate Guarantee to lenders for entire facilities in liee of Corporate Guarantees of SVL Ltd and SVL Trust. However, the Corporate Guarantees of SVL Ltd and SVL Trust shall be released after 18 months from the date of RP , if there is no default for a consecutive period of 12 months as defined in RBI Circular dated 7th June 2019.
- Continuation of Margin of 15% on stock and book debts and cover period of 270 days for receivable.

The Company has accounted for the CCD and NCD as per IND AS 109- Financial Instruments

The CCD and NCD have been classified as financial liability as there is contractual obligation to deliver cash over a period of 14 years in terms of repayment of principal and interest. CCD and NCD are initially recognised at amortised cost using the effective interest method at 9.00%. The resultant gain or loss at initial recognition is recognised as exceptional gain in the statement of profit and loss. (Also refer Note no 42)

Particulars	Nature of payment	Period of Delay	Amount of default	Remarks
Central Bank	Interest	1 - 61 days	24.00	Interest has been paid subsequently in FY 2022-23
IFCI WCTL		1 - 61 days	12.56	
IFCI FITL		1 - 61 days	1.88	
BOM - Covid Loan		1 - 82 days	4.00	

24.3 During the year, the Company has obtained unsecured loan amounting to Rs.900 Lakhs. The terms of repayment is bullet repayment of principal on 31-Dec-2035. The loan carries interest rate at 0.10% p.a payable half yearly from March 2023 till December 2035. The said loan has been recognised at amortised cost and the resultant gain on initial recognition is credited to the statement of profit and loss

24.4 The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.

24.5 The Company has utilised the funds as per the terms of the Borrowings.

25 Other financial liabilities	As at 31 March 2023	As at 31 March 2022
Sundry Creditors- Retention	4,024.26	4,465.38
Total	4,024.26	4,465.38

Sundry Creditors - Retention

As on 31-03-2023

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(ii) Others	4,024.26	-	-	-	-	4,024.26
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	4,024.26	-	-	-	-	4,024.26

As on 31-03-2022

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	4,465.38	-	-	-	-	4,465.38
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	4,465.38	-	-	-	-	4,465.38

26 Long Term Provisions	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (Refer Note 46)	479.77	540.50
Total	479.77	540.50

27 Other non-current liabilities	As at 31 March 2023	As at 31 March 2022
Contract Liabilities		
Advance from Customers	2,078.30	2,202.91
Total	2,078.30	2,202.91

28 Short -term borrowings (Secured unless otherwise stated)	As at 31 March 2023	As at 31 March 2022
From bank		
- Cash Credit and Overdraft facilities	7,952.75	42,731.22
- Working Capital Demand Loans	5,129.28	17,014.48
- Demand Loan - Covid Emergency loan	-	191.95
- Interest accrued and due	-	7,405.38
Current Maturities	156.00	7,465.00
Non Convertible debentures(NCD)	83.37	-
Compulsorily Convertible Dentures(CCD)		
FITL- Moratorium Interest	-	1,272.62
From Financial Institutions		

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

28 Short -term borrowings (Secured unless otherwise stated)	As at 31 March 2023	As at 31 March 2022
-Cash Credit and Overdraft facilities	264.78	582.33
Funded Interest Term Loans	-	76.00
-Current Maturities	-	5,724.00
Non Convertible debentures(NCD)	21.20	-
Compulsorily Convertible Dentures(CCD)		
From others (Unsecured)	359.20	-
Total	13,966.58	82,462.97

28.1 Secured by First Paripassu charge on Pooled Assets ie., all movable (both fixed, current and non-current) Immovable assets of the company and Corporate Guarantee of MARK AB LLC Dubai, Mark AB Capital Investments India Private Limited ,SVL Ltd and SVL Trust.However, the Corporate Guarantees of SVL Ltd and SVL Trust shall be released after 18 months from the date of RP , if there is no default for a consecutive period of 12 months as defined in RBI Circular dated 7th June 2019.

The Company has defaulted in repayment of interest in respect to the following ,prior to the implementation of RP

Bank / Financial institution name	Cash credit	WCDL	FITL	Period of Delay	Remarks
Punjab National Bank	0.21	0.31	-	1- 214 days	Interest has been paid subsequently in FY 2022-23
State Bank Of India	0.95	-	-		
Union Bank	0.09	-	-		
Yes Bank	0.02	0.04	-		
Axis Bank	0.05	0.07	-		
Bank of Baroda	0.06	0.09	-		
Bank Of India	0.04	0.07	-		
Bank Of Maharashtra	0.10	-	-		
Central Bank Of India	0.17	0.26	-		
DBS Bank	0.22	-	-		
Federal Bank Limited	0.04	0.07	-		
ICICI Bank Limited	0.01	0.01	-		
IDBI Bank Limited	0.48	-	-		
IFCI Factors	0.04	-	4.69		
Indian Bank	0.12	-	-		
Indusind bank	0.07	0.11	-		
ARCIL	0.25	-	-		

28.2 The quarterly statements filed by the Company with the banks and financial institutions are in agreement with the books of accounts

28.3 The Company has utilised the funds as per the terms of the Borrowings. Also, the Company has not used funds raised on short term basis for long term purpose.

Net Debt Reconciliation

Particulars	As at 31 March 2023	As at 31 March 2022
Cash & Cash equivalents	3,304.59	582.67

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Non Current Borrowings	(26,616.64)	(15,364.47)
Current Borrowings	(13,966.58)	(82,462.97)
Net Debt	(37,278.63)	(97,244.77)

Particulars	Cash & Cash equivalents	Non Current Borrowings	Current Borrowings	Total
Net Debt as on 1st April, 2021	840.86	(20,072.84)	(58,839.27)	(78,071.25)
Cash Flows	(258.19)	-	-	(258.19)
Proceeds from availments	-	-	(13,767.07)	(13,767.07)
Repayments	-	6,420.12	-	6,420.12
Interest paid/accrued	-	(1,711.75)	(9,856.63)	(11,568.38)
Net Debt as on 1st April, 2022	582.67	(15,364.47)	(82,462.97)	(97,244.77)
Cash Flows	2,721.92	-	-	2,721.92
Proceeds from availments	-	(16,488.98)	(359.20)	(16,848.18)
Repayments	-	-	48,247.99	48,247.99
Gain on restructuring/ fair value	-	-	20,248.40	20,248.40
Interest paid/accrued	-	5,236.81	359.19	5,596.00
Net Debt as on 31st March, 2023	3,304.59	(26,616.64)	(13,966.58)	(37,278.63)

29 Trade payables	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of creditors to micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	9,605.31	323.42
Trade Payables	28,351.71	33,644.80
Total	37,957.02	33,968.22

29.1 The average credit period ranges from 30 days to 90 days, depending on the nature of the item or work. The work orders include element of retention, which would be payable on completion of a milestone, completion of the contract or after a specified period from completion of the work. The terms also would include back to back arrangement wherein, certain amounts are payable on realisation of corresponding amounts by the company from the customer. No interest is payable for delay in payments, unless otherwise specifically agreed in the order or as required by a legislation, like Micro, Small and Medium Enterprises Development Act ("MSMED Act"). The company has a well defined process for ensuring regular payments to the vendors.

29.2 Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year: Principal & Interest	-	-

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) 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 the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

29A Ageing Trade payable ageing

As on 31-03-2023

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	14,708.23	2,405.90	4,837.46	1,146.50	12,815.40	35,913.49
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	32.09	237.13	1,774.31	2,043.53
Total	14,708.23	2,405.90	4,869.55	1,383.63	14,589.71	37,957.02

As on 31-03-2022

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	2,546.10	11,396.90	2,232.31	10,494.76	5,045.06	31,715.13
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	245.04	385.54	476.66	1,145.85	2,253.09
Total	2,546.10	11,641.94	2,617.85	10,971.42	6,190.91	33,968.22

30 Other Financial Liabilities	As at 31 March 2023	As at 31 March 2022
Other payables*	1,625.07	1,875.25
Total	1,625.07	1,875.25

*included employee dues and other routine payable for expenses

31 Other current liabilities	As at 31 March 2023	As at 31 March 2022
Statutory dues payable	223.27	141.84
Advance Billing	222.68	548.11

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

31 Other current liabilities	As at 31 March 2023	As at 31 March 2022
Total	445.95	689.94

32 Contract Liabilities	As at 31 March 2023	As at 31 March 2022
Advance from customers	3,432.75	5,934.03
Total	3,432.75	5,934.03

33 Short Term Provisions	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (Refer note 46)	21.02	23.70
Provision for Compensated Absences (Refer note 46)	246.83	480.83
Other provision	128.52	128.67
Total	396.37	633.19

34 Revenue from operations	2022-23	2021-22
Revenue from Engineering and Construction Contracts	37,884.66	32,944.17
Company's share in profit of Integrated Joint Ventures	-	1.48
Total	37,884.66	32,945.65

34.1 Revenue for the current year (2022-23) includes Nil (Previous year Rs. 8,624 lakhs), being share of revenue relating to the Basra project, billed from Mokul Shriram EPC JV (MSJV), a jointly controlled operation, where in the company owns 50% interest.

34.2 Unsatisfied performance obligation: Management expects that the transaction price allocated to partially or fully unsatisfied performance obligation of ₹1,10,900 lakhs (Order book value) (March 31, 2022: ₹ 1,19,664 Lakhs) will be recognised as revenue over the project life cycle.

35 Other income	2022-23	2021-22
Interest income		
- Margin Money deposits	283.42	280.01
- Income tax refund	29.30	316.91
Fair Value gain on Unsecured loan (Refer note 24.3)	613.58	
Liabilities written back	911.59	38.92
Miscellaneous income	165.26	477.58
Total	2,003.15	1,113.42

36 Erection, Construction & Operation Exps	2022-23	2021-22
Cost of Materials and Labour	30,507.81	28,791.73
Other Contract Related Costs	1,397.22	210.50
Total	31,905.03	29,002.23

36.1 Cost of Materials and Labour for the year ended March 31, 2023 includes NIL lakhs (Year Ended March 31, 2022 Rs. 8,624 Lakhs) being proportionate share of cost relating to the Mokul Shriram EPC JV(MSJV) project in Basra, Iraq.

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

37 Change in Inventories of Contract WIP	2022-23	2021-22
Inventories at the beginning of the year		248.20
	-	248.20
Less: Inventories at the end of the year		-
		-
Net decrease	-	248.20
Total	-	248.20

38 Employee benefits expense	2022-23	2021-22
Salaries,wages,bonus and other allowances	3,020.16	3,194.97
Contribution to Provident and Other funds	197.83	196.18
Contribution to Gratuity (Refer Note 46)	76.35	133.37
Staff welfare expenses	45.81	174.92
Total	3,340.15	3,699.44

39 Finance costs	2022-23	2021-22
Interest on Cash Credits*	2,993.93	7,788.18
Interest on Term Loans *	715.08	1,711.75
Interest on CCD, NCD	54.07	-
Interest - Others	405.88	628.71
Interest on financial liabilities measured at Effective interest rates(INDAS)	1,841.73	1,416.60
Interest on Lease Liabilities	29.06	23.13
Total	6,039.75	11,568.38

*Consequent to implementation of resolution plan, Interest waiver (July'22 – September'22) of Rs. 2,176 Lakhs has been adjusted against Finance cost for the year ended March 31, 2023.

40 Depreciation and amortization expense	2022-23	2021-22
Depreciation on Property, Plant and Equipment (Refer Note 6A)	546.92	548.87
Amortization of Intangible Assets (Refer Note 7)	4.04	4.04
Amortization of Right to use assets (Refer Note 6B)	63.77	29.76
Total	614.73	582.66

41 Other expenses	2022-23	2021-22
Electricity and water	521.29	119.24
Rates and taxes	233.65	59.12
Rent	68.86	105.26
Repairs and Maintenance:		
Building	12.06	14.66
Plant and Machinery, Equipments	39.53	56.67
Others	12.94	20.01

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

41 Other expenses	2022-23	2021-22
Auditors' Remuneration (Refer note 41.1 below)	47.63	34.32
Bank Charges, Letter of Credit / Guarantee charges	700.08	965.93
Travel and conveyance	334.46	343.12
Insurance premium	125.49	192.75
Printing & Stationery	16.31	20.98
Communication, broadband and internet expenses	22.79	29.27
Sitting Fees	11.70	8.70
Consultancy charges	410.09	391.00
Legal Expenses	172.32	105.86
Advertisement	46.48	22.32
Bad Debts	1.61	103.35
Company's share in Loss of Integrated Joint Ventures	10.36	-
Donation	0.14	0.08
Provision for doubtful trade and Other receivables	722.19	1,831.49
Provision for Contract Assets	4,968.59	-
Loss on Sale of assets	336.27	99.18
Others	456.87	165.97
Total	9,271.71	4,689.27

41.1 The following is the break-up of Auditors remuneration (exclusive of GST)

As auditor:	2022-23	2021-22
Statutory audit	27.00	27.00
Other matters	20.54	6.00
Reimbursement of expenses	0.09	1.32
Total	47.63	34.32

42 Exceptional Items-(income)/ expense	2022-23	2021-22
Gain on Debt restructuring (Refer Note 24.2)	(19,634.82)	-
Provision for trade, other receivables and contract assets	-	6,361.26
Contract assets written off	5,819.69	-
Total	(13,815.13)	6,361.26

- 42.1 (i) Year ended March 31, 2023 includes an amount of Rs. 19,634.82 Lakhs resulting from implementation of Resolution Plan with the lenders, on account of reduction in interest cost with effect from October 01, 2020 till June, 30, 2022, the difference between the carrying amounts of the facilities before restructuring as at September 30, 2022 and the fair values of the new facilities recognised as income in accordance with INDAS 109 - Financial Instruments.
- (ii) During the year ended March 31, 2023, contract assets amounting to Rs. 5819.69 lakhs was written off, in respect of projects stopped by the client consequent to an order of the National Green Tribunal restraining the client from proceeding with the project and on account of wrongful termination of a contract and consequent legal disputes / arbitration proceedings initiated during the year in respect of projects with the customers.
- (iii) During the previous year ended March 31, 2022 represents provisions for trade, other receivables and contract assets amounting to Rs. 6,361.26 lakhs, based on estimation of potential stress on project completion and collections, considering the continuing impact of COVID 19 pandemic.

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

43 Income Tax

(A) Components of Deferred Tax Assets and Liabilities recognised in Balance Sheet:

31.03.2023

Particulars	Balance as at April 1, 2022	Recognized in profit or loss during 2022-23	Recognized in OCI during 2022-23	Balance as at March 31, 2023
Deferred tax assets				
Expenditure allowed on payment basis for Income tax purpose	365.17	(123.67)	19.73	261.23
Impairment loss on Financial Assets and Contract Assets	3,912.73	1,255.22	-	5,167.95
Deferred tax asset on account of unabsorbed losses and depreciation allowance (Refer Note- 44 (B)(b))	39,645.00	(4,235.38)	-	35,409.62
	43,922.90	(3,103.83)	19.73	40,838.80
Deferred tax liabilities				
On Property, Plant and Equipment	577.40	(62.15)	-	515.25
On Others	-	-	-	-
	577.40	(62.15)	-	515.25
Deferred tax asset, net	43,345.50	(3,041.68)	19.73	40,323.55

(B) The Company has business losses which are allowed to be carried forward and set off against available future taxable income under Income Tax Act, 1961. Against the carried forward loss amounting to Rs. 1,37,510.14 lakhs, the Company has recognised Deferred Tax Asset (DTA) on a carry forward loss of Rs. 1,11,216.10 lakhs in an earlier year resulting in DTA of Rs. 33,289.92 lakhs (March 31, 2022 - Rs. 39,645 Lakhs). During the current year, the company has written off DTA amounting to Rs. 3,021.95 lakhs(net) due to carry forward business losses which is expiring by AY relevant to accounting year ended March 31, 2023. Considering potential order book as on date, future business prospects in the light of implementation of resolution plan, projects in pipeline etc, the management is confident of adjusting these carry forward losses and reversal of DTA before the expiry of the period for which this benefit is available. The auditors have qualified this matter in their report for the year ended March 31, 2023.

31-03-2022

Particulars	Balance as at April 1, 2021	Recognized in profit or loss during 2021-22	Recognized in OCI during 2021-22	Balance as at March 31, 2022
Deferred tax assets				
Expenditure allowed on payment basis for Income tax purpose	338.58	32.05	(5.46)	365.17
Impairment loss on Financial Assets and Contract Assets	3,937.69	(24.96)	-	3,912.73
Deferred tax asset on account of unabsorbed losses and depreciation allowance (Refer Note- 44 (B)(b))	43,889.00	(4,244.00)	-	39,645.00
	48,165.27	(4,236.91)	(5.46)	43,922.90
Deferred tax liabilities				
On Property, Plant and Equipment	541.57	35.83	-	577.40
On Others	-	-	-	-
	541.57	35.83	-	577.40

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Balance as at April 1, 2021	Recognized in profit or loss during 2021-22	Recognized in OCI during 2021-22	Balance as at March 31, 2022
Deferred tax asset, net	47,623.70	(4,272.74)	(5.46)	43,345.50

(C) The Company has business losses and unabsorbed depreciation which are allowed to be carried forward and set off against available future taxable income under Income Tax Act, 1961. Against the carried forward loss of Rs.2,11,013 lakhs, the company has recognized deferred tax asset on a carry forward loss to the extent of Rs.1,28,547 lakhs which results in DTA of Rs. 39,645 lakhs. During the current year, the company has written off DTA amounting to Rs. 4,278 lakhs(net) due to carry forward business losses which is expiring by AY relevant to accounting year ended March 31, 2022. Considering potential order book as on date, future business plan, projects in pipeline etc, the management is confident of adjusting these carry forward losses and reversal of DTA before the expiry of the period for which this benefit is available.

(D) Components of Tax	2022-23	2021-22
Current Tax	-	-
Deferred Tax	(3,021.95)	(4,278.00)
Total	(3,021.95)	(4,278.00)

(E) Reconciliation of tax charge	2022-23	2021-22
(a) Profit/(Loss) before tax	2,531.57	(22,092.37)
(b) Corporate Tax Rate as per Income Tax Act, 1961	34.94%	34.94%
(c) Tax on Accounting Profit/(loss)	884.53	(7,719.07)
	(c) = (a) * (b)	

(d) Tax adjustments	2022-23	2021-22
(i) Tax on Non-deductible item for tax purpose	-	(1,808.36)
(ii) Tax effect on expiry of carry forward losses	(2,738.79)	(7,500.00)
(iii) Tax effect of losses of current year on which no deferred tax benefit is recognised	-	(2,095.59)
(iv) Tax effect on utilisation of carry forward losses	(1,496.60)	-
(v) Tax effect of differential tax rates	224.19	(513.39)
(vi) Tax effect of various other items	1,873.78	(79.74)
Total effect of Tax Adjustments	(2,137.42)	(11,997.07)
(e) Tax expenses recognised during the year	(3,021.95)	(4,278.00)
	(e) = (d) - (c)	

(F) There is no provision for tax in view of the brought forward losses/unabsorbed depreciation relating to earlier years, available for set off, while computing income, both under the provisions of 115 JB and those other than section 115 JB of the Income Tax act 1961

(G) Unrecognised deductible temporary differences, unused tax losses

Particulars	2022-23	2021-22
- Unused tax losses	6,201.00	8,729.00
Total	6,201.00	8,729.00

1

Expiry period	Unused Tax Loss (Rs. Lakhs)
2023-24 to 2029-30	6,201.00

2 The Company has business loss which are allowed to be carried forward and set off against the available future taxable income under Income Tax Act, 1961. No Deferred Tax asset has been recognised on this considering no reasonable certainty

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

44 Basic and Diluted Earnings Per Share (EPS) computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share":

Particulars		Year ended 31st March 2023	Year ended 31st March 2022
Basic EPS			
Profit/ (Loss) after Tax as per Accounts (₹ lakhs)	A	(490.38)	(26,370.37)
Weighted Average Number of Equity Shares Outstanding	B	12,240.86	9,715.29
Basic EPS (₹)	A/B	(0.04)	(2.71)
Diluted EPS			
Profit/ (Loss) after Tax as per Accounts (₹ lakhs)		(490.38)	(26,370.37)
Add: Interest cost on CCD		777.12	-
Profit/ (Loss) after Tax as per Accounts (₹ lakhs) for diluted EPS	A	286.74	(26,370.37)
Weighted Average Number of Equity Shares Outstanding		12,240.86	9,715.29
Weighted Average Number of sharees upon conversion of CCD		125.81	-
Weighted Average Number of Equity Shares Outstanding for Diluted EPS	B	12,366.67	9,715.29
Diluted EPS* (₹)	A/B*	(0.04)	(2.71)

* Since the diluted EPS as per computation is anti dilutive , diluted EPS is taken as basic EPS.

45 Disclosures pursuant to EPC Contracts:

S. No	Particulars	Year ended 31st March 2023	Year ended 31st March 2022
1	Contract revenue recognised for the financial year	37,884.66	32,944.17
2	Aggregate amount of Contract costs incurred and recognized profits (less recognized losses) upto the reporting date	31,905.03	29,250.43
3	Advances received for contracts in progress	5,511.05	8,136.94
4	Retention amount by customers for contracts in progress	28,020.65	28,718.62
5	Gross amount due from customers for contract work (Asset)	80,598.49	83,664.76
6	Gross amount due to customers for contract work (Liability)	222.68	548.11

46 Disclosure pursuant to Ind AS 19 "Employee Benefits"

(A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss	31st March 2023	31st March 2022
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 38)	197.83	196.18

(B) Defined benefit plans (Unfunded)

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Investment Risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
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Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Interest risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Salary Escalation Risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic Risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

In respect of the plan in India, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at March 31, 2023 by Mr. S. Krishnan, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

No other post-retirement benefits are provided to these employees.

i) Actuarial assumptions	31st March 2023	31st March 2022
Discount rate (per annum)	7.20%	7.28%
Rate of increase in Salary	5%	5%
Expected average remaining working lives of employees (years)	12.70	12.80
Attrition rate	3.00%	3.00%

ii) Changes in the present value of defined benefit obligation

	Gratuity		Long Term Compensated Absences	
	2022-23	2021-22	2022-23	2021-22
Present value of obligation at the beginning of the year	564.20	583.13	480.83	385.95
Interest cost	33.93	35.62	32.26	25.05
Past service cost				
Current service cost	42.42	97.76	139.01	380.31
Curtailements				
Settlements				
Benefits paid	(196.14)	(136.70)	(75.43)	(47.95)
Actuarial gain on obligations	56.38	(15.61)	(329.84)	(262.53)
Present value of obligation at the end of the year*	500.79	564.20	246.83	480.83

*Included in provision for employee benefits (Refer notes 26 and 33)

iii) Expense recognized in the Statement of Profit and Loss

	Gratuity		Long Term Compensated Absences	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Current service cost	33.93	35.62	139.01	380.31
Past service cost				
Interest cost	42.42	97.75	32.26	25.05
Expected return on plan assets				

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

	Gratuity		Long Term Compensated Absences	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Actuarial gain on obligations	56.38	(15.61)	(329.84)	(262.53)
Settlements		-		
Curtailments		-		-
Total expenses recognized in the Statement Profit and Loss	76.35	133.37	(158.57)	142.83
Total expenses recognized in OCI	56.38	(15.61)		

iv) Assets and liabilities recognized in the Balance Sheet:

	Gratuity		Long Term Compensated Absences	
	2022-23	2021-22	2022-23	2021-22
Present value of unfunded obligation as at the end of the year	(500.79)	(564.20)	(246.83)	(480.83)
Unrecognized actuarial (gains)/losses	-	-	-	-
Unfunded net liability recognized in Balance Sheet*	(500.79)	(564.20)	(246.83)	(480.83)

*Included in provision for employee benefits (Refer notes 26 and 33)

v) A quantitative sensitivity analysis for significant assumption as at 31 March 2023 is as shown below:

Impact on defined benefit obligation	2022-23	2021-22
Discount rate		
0.5% increase	-3.08%	-2.86%
0.5% decrease	3.27%	3.04%
Rate of increase in salary		
0.5% increase	3.27%	3.04%
0.5% decrease	-3.08%	-2.86%

vi) Maturity profile of defined benefit obligation Period	2022-23	2021-22
By the end of the First Year	105.03	167.89
Between Year 1 and Year 2	70.24	11.21
Between Year 2 and Year 3	20.37	69.93
Between Year 3 and Year 4	42.28	99.03
Between Year 4 and Year 5	76.82	45.28
Between Year 5 and Year 10	285.78	374.94

47 Disclosure in respect of leases pursuant to Indian Accounting Standard (Ind AS) 116, "Leases"

(A) Finance leases where Company is a lessee:

The following is the summary of practical expedients elected on application:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

The Company has lease contracts for its head office building and furniture and fixtures. lessee is restricted from assigning and subleasing the leased assets. The Company applies the "short term Lease" and "lease of Low value assets" recognition exemptions for these leases.

The effective interest rate for lease liabilities is 9%.

Maturity analysis of lease liabilities

Particulars	31st March 2023	31st March 2022
Within one year	98.45	36.60
After one year but not more than five years	163.30	195.58
More than five years	88.74	106.40

Amounts recognised in the Statement of Profit and Loss:

Particulars	As at 31 March 2023	As at 31 March 2022
Amortization expense of right-of-use assets	63.77	29.76
Interest expense on lease liabilities	29.06	23.13
Expense relating to short-term leases (included in other expenses)	68.86	105.26
Total amount recognised in statement profit or loss	161.70	158.14

Amounts recognised in statement of Cash Flows:

Particulars	As at 31 March 2023	As at 31 March 2022
Total Cash outflow for leases	58.19	36.60

48 Disclosure of Related Parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

(A) List of related parties and description of relationship as identified and certified by the Company:

Entities exercising significant influence over the Company

SVL Ltd (upto 23rd September 2022)

Mark A B Investment LLC (effective from 24th September 2022)

Subsidiary of Entites exercising significant influence over the Company(upto 23rd September 2022)

Bharat Coal Chemicals Limited (BCCL)

Subsidiary of Entites exercising significant influence over the Company(Effective from 24th September 2022)

Mark AB Capital Investment India Private Limited

Enterprises under the joint control of the Entites exercising significant influence over the Company:

Leitwind Shriram Manufacturing Private Limited(upto 23rd September 2022)

Key management personnel

T.Shivaraman - Managing Director (upto 19th September 2022)

M.Amjad Shariff - Joint Managing Director (upto 19th September 2022)

N K Suryanarayanan- Managing Director (effective from 24th September 2022)

Other enterprises under the control of the key management personnel

Orient Green Power Company Limited (upto 20th September 2022)

Bharath Wind Farm Limited (upto 20th September 2022)

Beta Wind Farm Private Limited(upto 20th September 2022)

Amrit Enviornmental Technologies P Ltd(upto 20th September 2022)

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

Joint Operations

Larsen & Toubro Limited Shriram EPC JV
Mokul Shriram EPC JV
Shriram EPC Eurotech Environmental Pvt Ltd - JV
SEPC DRS ITPL JV

(B) Details of transactions with related party in the ordinary course of business for the year ended:

	2022-23	2021-22
(i) Entites exercising significant influence over the Company		
SVL Ltd (upto 23rd September 2022)		
Transfer of Advances / Receivables	7,433.87	2,793.80
Fund Received (Net)		2,454.85
Mark A B Investment LLC (effective from 24th September 2022)		
Amount invested as Equity	35,000.00	-
(ii) Subsidiary of Entites exercising significant influence over the Company (Effective from 24th September 2022)		
MARK AB Capital Investment India Private Limited(Effective from 24th September 2022)	900.00	-
(iii) Key Management Personnel (KMP)		
Compensation of key management personnel		
T.Shivaraman (upto 19th September 2022)	119.61	60.40
M.Amjad Shariff (upto 19th September 2022)	79.68	60.15
N K Suryanarayanan(Effective from 24th September 2022)	43.40	-
(iv) Other enterprises under the control of the key management personnel		
(a) Orient Green Power Company Limited		
Payments made	-	0.41
(b) Bharath Wind Farm Limited		
Fund Receipts	-	4.11
(v) Mokul Shriram EPC JV		
(a) Larsen & Toubro Limited Shriram EPC JV		
Company's share in profit of Integrated Joint Ventures	-	1.48
Company's share in Loss of Integrated Joint Ventures	10.36	-
Fund Receipts		390.77
(b) Shriram EPC Eurotech Environmental Pvt Ltd - JV		
Progressive Billings/ Revenue	121.00	698.18
Expenses reimbursed by the party	-	4.51
(c) SEPC DRS ITPL JV		
Progressive Billings/ Revenue	102.00	1.99
(d) Mokul Shriram EPC JV		
Progressive Billings/ Revenue	-	8,624.17
Cost incurred for Materials and Labour	-	8,624.17

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

(C) Amount due (to)/from related party as on:

(i) Particulars	2022-23	2021-22
Advances / (Borrowings):		
MARK AB Capital Investment India Private Limited (Effective from 24th September 2022)	(900.00)	-
Leitwind Shriram Manufacturing Private Limited (Net of Provision for Expected Credit Loss of ₹ 9,141.70 Lakhs (March 31, 2022: ₹ 9,141.70 Lakhs)	-	477.77
Receivables /(Payables):		
Amrit Environmental Technologies P Ltd	1,966.38	1,966.38
Larsen & Toubro Limited Shriram EPC JV	(0.90)	(0.90)
Mokul Shriram EPC JV	1,669.28	1,669.28

49 Disclosure pursuant to Ind AS 1 "Presentation of Financial Statements"

(A) Current Assets expected to be recovered within twelve months and after twelve months from the reporting date

	As at March 31, 2023			As at March 31, 2022		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Trade Receivables - Note 16	29,206.01	-	29,206.01	37,250.48	-	37,250.48
Other Current Financial Assets - Note 19	123.37	-	123.37	879.25	-	879.25

(B) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date

	As at March 31, 2023			As at March 31, 2022		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Acceptances - Note 29	9,605.31		9,605.31	323.42		323.42
Trade and Other Payables - Note 29	28,351.71		28,351.71	33,644.80		33,644.80
Other Current Financial Liabilities - Note 30	1,625.07		1,625.07	1,875.25		1,875.25

50 Segment reporting

The Chief Operating Decision Maker (CODM) reviews the operations of the Company for the year ended March 31, 2020 as one operating segment being Construction Contracts. Hence no separate primary segment information has been furnished herewith as required by Ind AS 108, "Operating segment". However, Geographical Segments being secondary segments are disclosed below :

Particulars	31-Mar-23	31-Mar-22
Rest of the World		
Revenue	-	8,624.16
Assets	819.18	819.18
India		
Revenue	37,884.66	24,320.01
Assets	1,99,363.18	2,21,502.83
Capital Expenditure	13.91	14.97

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

51 Expenditure in Foreign Currency

Particulars	31-Mar-23	31-Mar-22
Professional & Consultancy Fees	19.29	4.85
Material Consumed in Execution of Engineering Contracts	-	201.72
Erection ,Construction & Operation Exp	32.02	59.00
Travelling & Conveyance	4.68	3.74
Salaries and wages	-	67.95
Others	12.38	154.84
Total	68.37	492.10

52 Fair Value Measurement

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

31-Mar-23

Particulars	Note	Carrying Amount					Fair Value			
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Investments at Fair Value through Other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
Assets										
Financial Assets Measured at Fair Value										
Investments	9	-	-	-	40.93	40.93	40.93	-	-	40.93
						-				
Financial Assets not Measured at Fair Value*						-				
Loans	10	697.48	-	-		697.48	-	-	-	-
Trade Receivables	11 &16	47,412.26	-	-		47,412.26	-	-	-	-
Cash and Cash Equivalents	17	3,304.59	-	-		3,304.59	-	-	-	-
Other Bank balances	18	1,730.33	-	-		1,730.33	-	-	-	-
Other financial assets	12 &19	1,164.51	-	-		1,164.51	-	-	-	-
Total		54,309.17	-	-	40.93	54,350.10	40.93	-	-	40.93
Liabilities										
Financial Liabilities not Measured at Fair Value*										
Non Current Borrowings	24	-	-	26,616.64		26,616.64	-	-	-	-
Current Borrowings	28	-	-	13,966.58		13,966.58	-	-	-	-
Trade payables	29	-	-	37,957.02		37,957.02	-	-	-	-
Other financial liabilities	25 & 30	-	-	5,649.33		5,649.33	-	-	-	-
Total		-	-	84,189.57		84,189.57	-	-	-	-

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

31-Mar-22

Particulars	Note	Carrying Amount					Fair Value			
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Investments at Fair Value through Other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
Assets										
Financial Assets Measured at Fair Value										
Investments	9	-	-	-	52.72	52.72	52.72	-	-	52.72
						-				
Financial Assets not Measured at Fair Value*						-				
Loans	10	8,131.35	-	-		8,131.35	-	-	-	-
Trade Receivables	11 & 16	56,018.98	-	-		56,018.98	-	-	-	-
Cash and Cash Equivalents	17	582.67	-	-		582.67	-	-	-	-
Other Bank balances	18	2,387.49	-	-		2,387.49	-	-	-	-
Other financial assets	12 & 19	1,970.83	-	-		1,970.83	-	-	-	-
Total		69,091.32	-	-		69,091.32	-	-	-	-
Liabilities										
Financial Liabilities not measured at fair value*										
Non Current Borrowings	24	-	-	15,364.47		15,364.47	-	-	-	-
Current Borrowings	28	-	-	82,462.97		82,462.97	-	-	-	-
Trade payables	29	-	-	33,968.22		33,968.22	-	-	-	-
Other financial liabilities	25 & 30	-	-	6,340.63		6,340.63	-	-	-	-
Total		-	-	1,38,136.29		1,38,136.29	-	-	-	-

* The company has not disclosed the fair value for Financial instruments mentioned above because their carrying amounts are a reasonable approximation of fair value.

53 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and financial instruments.

(i) 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 outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk.

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The net exposure to foreign currency in respect of recognized financial assets, recognized financial liabilities and derivatives is as follows:

- a) Forward exchange contracts entered into by the Company and outstanding as on March 31, 2023 - Nil (March 31, 2022 - Nil)
- b) Foreign Currency exposure

Particulars	31-Mar-23		
	Currency	Amount in Foreign Currency (In Lakhs)	In ₹ lakhs
Bank Balances	IQD	2.43	0.13
Trade Payables (including Payables on purchase of fixed assets)	EURO	5.74	513.39
Trade and Other Receivables	USD	22.18	1,822.12

Particulars	31-Mar-22		
	Currency	Amount in Foreign Currency (In Lakhs)	In ₹ lakhs
Bank Balances	USD	0.07	5.16
	IQD	2.43	0.13
Trade Payables (including Payables on purchase of fixed assets)	USD	1.11	84.44
	EUR	37.17	41.31
Trade and Other Receivables	USD	31.62	2,396.93

Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's import payments and cost of borrowings.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents Management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The following table details the Company's sensitivity movement in the increase / decrease in foreign currencies exposures (net):

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

USD Impact

Particulars	March 31, 2023
Profit or Loss	0.61
Equity	0.61

IQD Impact

Particulars	March 31, 2023
Profit or Loss	0.04
Equity	0.04

EUR Impact

Particulars	March 31, 2023
Profit or Loss	0.74
Equity	0.74

(B) Credit risk

The credit risk to the company arises from two sources:

a) Customers, who default on their contractual obligations, thus resulting in financial loss to the Company

Company evaluates the credentials of a customer at a very early stage of the bid. Company has adopted a policy of 3 tier verification before participating for any bid. The first step of such verification includes verification of customer credentials. The company, as part of verification of the customer credentials, ensures the compliance with the following criterion,

- (i) Customer's financial health by examining the audited financial statements
- (ii) Whether the Customer has achieved the financial closure for the work for which the company is bidding
- (iii) Where the customer is Public Sector Undertaking, sanction and availability of adequate financial resources for the proposed work.

Company makes provision on its financial assets, on every reporting period, as per Expected Credit Loss Method. The provision is made separately for each financial assets of each business line. The percentage at which the provision is made, is determined on the basis of historical experience of such provisions, modified to the current and prospective business and customer profile.

Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. Majority of the customers of the company comprise of Public Sector Undertakings, with whom the company does not perceive any credit risk. As regards the customers from private sector, company carries out financial evaluation on regular basis and provides for any amount perceived as non realisable, in the books of accounts.

b) Non certification by the customers, either in part or in full, the works billed as per the contract, being non claimable cost as per the terms of the contract with the customer Non certification of works billed The Company has contract claims from customers including costs on account of account of delays / changes in scope / design by them etc. which are at various stages of discussions / negotiations or under arbitrations. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims

The Company provides for doubtful receivables/advances and expected credit loss based on 12 months and lifetime expected credit loss basis for following financial assets:

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

31-Mar-23

Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	38,507.62	(9,301.61)	29,206.01
Contract Assets	78,215.17	(4,968.58)	73,246.59
Advances to Suppliers	16,490.92	(1,640.30)	14,850.62

31-Mar-22

Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	46,326.35	(9,075.87)	37,250.48
Contract Assets	83,029.75	(3,321.01)	79,708.74
Advances to Suppliers	14,992.40	(1,640.30)	13,352.10

Reconciliation of Provision and Expected Credit Loss

Particulars	Trade receivables	Contact Asset	Advances to suppliers
Provision and Expected Credit Loss on March 31, 2022	9,075.87	3,321.01	1,640.30
Written Off		(3,321.01)	
Allowance for Doubtful Debts	289.07	4,968.59	-
Provision and Expected Credit Loss on March 31, 2023	9,364.94	4,968.59	1,640.30

(C) Liquidity risk

Company being an EPC contractor, has a constant liquidity pressures to meet the project requirements. These requirements are met by a balanced mix of borrowings and project cash flows. Cash flow forecast is made for all projects on monthly basis and the same are tracked for actual performance on daily basis. Shortfall in cash flows are matched through short term borrowings and other strategic financing means. The daily project requirements are met by allocating the daily aggregated cash flows among the projects. Company has established practice of prioritising the site level payments and regulatory payments above other requirements.

The table below summarizes the maturity profile of the Company's financial liabilities:

31-Mar-23	Within 12 months	More than 12 months	Total
Short term borrowings	13,966.58	-	13,966.58
Long-term borrowings	-	26,616.64	26,616.64
Trade payables	17,114.13	20,842.89	37,957.02
Other financial liability	1,625.07	4,024.26	5,649.33
	32,705.78	51,483.79	84,189.57

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

31-Mar-22			
Short term borrowings	82,462.97	-	82,462.97
Long-term borrowings	-	15,364.47	15,364.47
Trade payables	26,874.24	7,094.02	33,968.26
Other financial liability	1,875.25	4,465.38	6,340.63
	1,11,212.45	26,923.86	1,38,136.31

54 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors Net Debt to Capital ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of term loans and cash credits. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		31-Mar-23	31-Mar-22
Total equity	(i)	1,08,809.16	73,946.62
Total debt	(ii)		
Cash and Cash Equivalents	(iii)	40,583.22	97,827.44
Net Debt	(iv) = (ii) - (iii)	3,304.59	582.67
Total Capital	(v) = (i) + (iv)	1,46,087.79	1,71,191.39
Net Debt to Capital ratio	(iv)/ (v)	0.26	0.57

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

55 Disclosures pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

Movement in Provisions:

Particulars	Provision for Expected Credit Losses		Provision for Advances
	Current	Non-Current	Current
Opening Balance as on April 01, 2022	12,396.88	13,900.14	1,640.30
Add: Additional Provision during the year	1,873.30	433.12	-
Less: Movement on Account of Transfer of advances to Group Companies	-	-	
Closing Balance as on March 31, 2023	14,270.18	14,333.26	1,640.30

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

56 Assets under charge for borrowings

The carrying amounts of assets under charge for current and non-current borrowings are:

	31-Mar-23	31-Mar-22
Current assets		
Contract Assets	73,246.59	79,708.75
Trade receivables	24,241.10	28,057.27
Cash and cash equivalents	3,285.33	548.27
Other bank balances	1,730.33	2,387.49
Other current assets	5,755.25	6,870.23
Assets classified as held for sale	-	596.06
Total Current assets under charge	127,348.38	141,456.81
Total Non-Current assets	72,833.98	80,865.20
Total Assets under charge	200,182.36	222,322.01

Sanctioned limit with various Banks for various facilities has been Secured by First Paripassu charge on Pooled Assets i.e., all movable (both fixed, current and non-current) Immovable assets of the company and Corporate Guarantee of MARK AB LLC Dubai, Mark AB Capital Investments India Private Limited, SVL Ltd and SVL Trust. However, the Corporate Guarantees of SVL Ltd and SVL Trust shall be released after 18 months from the date of RP, if there is no default for a consecutive period of 12 months as defined in RBI Circular dated 7th June 2019.

The quarterly statements filed by the Company with the banks and financial institutions are in agreement with the books of accounts

57 Commitments

	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for	Nil	Nil

58 Contingent liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
a) Claims against the Company not acknowledged as debts*	10,188.40	15,835.06
b) Central Excise, Service Tax and customs Duties demands contested in Appeals, not provided for*	408.00	408.00
c) Disputed VAT/ Central Sales tax demands contested in Appeals, not provided for*	3,166.00	9,669.88
d) Bank Guarantees given to Customers for performance and advances #	33,636.06	32,002.18

*Management is confident of winning the appeals in respect of the above, hence no provision has been made. Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

#In respect of matters at (d), the cash outflows, if any, could generally occur up to two years, being the period over which the validity of the guarantees extends.

59 There are no transactions with vendors under the Micro, Small and Medium Enterprises Development Act, 2006, this has been determined on the basis of information available with the Company

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

- 60** The Company (SEPC) and Twarit Consultancy Services Private Limited (TCPL) were the Respondents in respect of an International Arbitration before The Singapore International Arbitration Centre (SIAC) filed by GPE (INDIA) Ltd, GPE JV1Ltd, Gaja Trustee Company Private Ltd (the Claimants) in connection with the investments made by the claimants in an associate company of the Company. SIAC vide its award dated January 07, 2021 awarded damages jointly and severally on the Respondents to the tune of Rs.19,854.10 lakhs and a sum of SGD 372,754.79 towards Arbitration expenses. These are to be paid along with simple interest @ 7.25% pa from July 21, 2017 until the date of payment. The Respondents preferred an appeal before the High Court of Republic of Singapore against the award of SIAC and the same is held in favour of the claimants. Recognition and Enforcement petition was filed by the claimants before Madras High Court which recognised the foreign award subject to obtaining of prior approval from the RBI. Aggrieved by this the claimants have moved the Supreme Court for certain directions which is pending. However, the Company has entered into an Inter-se arrangement dated September 29, 2015 with TCPL and Shri Housing Pvt Ltd by which, Company will be fully indemnified, in case of any liability arising out of any Suits, Proceedings, Disputes, Damages payable by the Company on any defaults arising out of the above.
- 61** Mokul Shriram EPC JV (JV Company) have won the complaint against Export Credit Guarantee Corporation of India Limited (ECGC) before the National Consumer Disputes Redressal Commission,(NCDRC) New Delhi, in connection with the project executed in Basra, Iraq. NCDRC, vide their order dated January 27, 2021, which has allowed the claims and directed ECGC to pay a sum of Rs. 26,501 lakhs along with simple interest @ 10% pa. with effect from September 19, 2016 till the date of realisation to the JV Company within a period of three months from the date of order, failing which ECGC will be liable to pay compensation in the form of simple interest @ 12% pa. ECGC had filed an appeal against the order of NCDRC New Delhi, before Supreme Court, and the case is pending for disposal.
- 62** The Company has incurred net loss before exceptional items during the year ended March 31, 2023 amounting to Rs. 11,925.42 Lakhs and as of that date accumulated losses is aggregating to Rs. 2,15,649.26 Lakhs. Resolution Plan submitted in accordance with the requirement set out in the circular issued by the Reserve Bank of India No RBI/20119/203DBR. No>BPBC.45/21.04.048./2018-19 dated June 07, 2019 has been approved and implemented by Company and Lenders on September 30, 2022. Considering the positive developments of implementing the resolution plan, infusion of equity by the investor, completion of Rights issue post year-end and the change in management, additional funding by Investor for working capital together with plans to meet financial obligations in future out of the cash flows from execution of the pipeline of orders in hand, business plans,sanctioned non-fund based facilities etc,the financial statements are prepared on a going concern basis.
- 63** The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 64 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,**
- The Company does not have transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 , during the year
- 65 Utilisation of Borrowed funds and Securities Premium:**
- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

66 Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

67 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

68 Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous 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.)

69 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

70 Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

- 71 During March 2023, the Company has obtained Services Investment License to incorporate a 100% subsidiary namely - SIBC Limited Company, in Saudi Arabia for the purpose of exploiting the market potential in the kingdom of Saudi Arabia as well as strengthen the presence in Gulf Cooperation Council region (GCC) using Company's qualifications and promoter MARK AB experience in that region.

72 Subsequent events

Pursuant to the approval of the Board of Directors of the Company at its Meeting held on December 27, 2022 final Letter of Offer (LOF) was filed with the Stock Exchanges on March 23, 2023 for Issue of 4,99,00,000 Equity Shares under Rights Issue for an amount aggregating to Rs.4,999 Lakhs. The Rights Issue opened for subscription on April 10, 2023 and closed on April 24, 2023. The Rights Issue Committee, at its Meeting held on May 02, 2023 allotted 4,99,00,000 Rights Equity Shares to the eligible Shareholders.

- 73 The Board, duly taking into account all the relevant disclosures made has approved these financial statements in its meeting held on May 25, 2023.

- 74 The figures for the previous year have been reclassified/ regrouped wherever necessary for better understanding and comparability.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

For and on behalf of the Board of Directors of
SEPC Limited
CIN - L74210TN2000PLC045167

Geetha Jeyakumar
Partner
Membership No: 029409

N K Suryanarayanan
Managing Director & CEO
DIN: 01714066

R Ravichandran
Director
DIN: 01920603

Place: Chennai
Date: May 25, 2023

T.Sriraman
Company Secretary
Membership No:A68102

R S Chandrasekharan
Chief Financial Officer

Disclaimer

In this annual report, we have disclosed forward-looking information to help investors comprehend our projects and take informed investment decisions. This report is based on certain forward-looking statements that we periodically make to anticipate results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



SEPC Limited

(formerly Shriram EPC Limited)

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