

To,

**The Board of Directors**  
SEPC Limited  
4th Floor, Bascon Futura SV IT Park  
Venkatanarayana Road, Parthasarathy Puram, T.Nagar  
Chennai-600017

**Sumedha Fiscal Services Limited**  
6A Geetanjali, 6th Floor,  
8B Middleton Street,  
Kolkata - 700071, India

(Sumedha Fiscal Services Limited referred to as the "Book Running Lead Manager" ('BRLM') )

**Sub: Proposed rights issue of equity shares of SEPC Limited amounting to Rs.20,000 Lakhs ("the Company" and such an offering, the "Rights Issue", and such equity shares, the "Equity Shares")**

**Auditor's Report on Statement of Capitalisation of the Company**

We have been requested by the Company having its registered office at the above mentioned address vide Engagement Letter dated February 28, 2024 to verify, confirm and certify the particulars contained in the capitalization statement annexed herewith as Annexure A (the "Capitalization Statement"), to be disclosed in the Draft Letter of Offer and Letter of Offer ( together referred to as 'Offer Documents') to be filed by the Company in connection with the Rights Issue, in accordance with the requirements prescribed under Schedule VI-(Part B-1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations"), prepared by the Management of the Company, which we have initialed for identification purpose only.

**Management's Responsibility for Annexure A**

1. The preparation of Capitalization Statement is the responsibility of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Capitalization Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
2. The Management is responsible for ensuring that the Company complies with the requirements of the SEBI ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note"), the Companies Act, 2013 and the rules made thereunder, as amended, (the "Act") and other applicable guidelines.

**Auditor's Responsibility**

3. Pursuant to the requirement of the Engagement Letter dated February 28, 2024, our responsibility is to obtain limited assurance and form an opinion as to whether anything has come to our attention that causes us to believe that the Statement of Capitalisation of the Company, is not in agreement with the unaudited consolidated financial information of the Company for the nine months period ended December 31, 2023; and is not mathematically accurate.
4. We have performed following procedures for the Company as on December 31, 2023:
  - a. Compared the items, included in the Capitalization Statement, with the corresponding amounts in unaudited consolidated financial information of the Company for the nine months period ended December 31, 2023.
  - b. Recomputed the mathematical accuracy of the totals as appearing in Capitalization Statement.



# MSKA & Associates

Chartered Accountants

5. We have examined the Restated Consolidated Financial Statements of the Company as of and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 on which we issued a qualified opinion vide our Examination Report dated October 12, 2023. Our examination of these financial statements was conducted in accordance with the requirements of Sub-section (1) of Section 26 of Part I of Chapter III of the Act, SEBI ICDR Regulations and the Guidance Note. Our examination was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
6. We have also reviewed unaudited consolidated financial results of the Company for the nine months period ended December 31, 2023, prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 prescribed under Section 133 of the Act on which we issued a modified review report dated February 13, 2024.
7. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
8. We conducted our examination of the Capitalisation Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Opinion

10. Based on the procedures performed by us as stated in paragraph 4 above, and according to the information, explanations and representations given to us, nothing has come to our attention that causes us to believe that :
  - a. The items included in the Capitalization Statement are not in agreement with the corresponding amounts in the unaudited consolidated financial information for the nine months period ended December 31, 2023.
  - b. The totals as appearing in Capitalization Statement are not mathematically accurate.

## Restriction on Use

11. This report is addressed to Board of Directors and BRLM and issued at specific request of the Company for submission to the BRLM to assist them in conducting their due-diligence and documenting their investigations of the affairs of the Company in connection with the proposed Offer. This report may be delivered to SEBI or the stock exchanges by the BRLM only when called upon by SEBI or the stock exchanges in writing in connection with any inspection, enquiry or investigation, as the case may be, to evidence BRLM due diligence obligations pertaining to subject matter of this report or for any defence that the BRLM may wish to advance in any claim or proceeding with SEBI or stock exchanges in connection with due diligence obligations of the BRLM in the Offer pertaining to subject matter of this report. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Geetha Jeyakumar

Partner

Membership Number: 029409

UDIN: 24029409BKDEIB5674

Place: Chennai

Date: April 15, 2024



**ANNEXURE A**

**Capitalisation Statement**

(Rs. In Lakhs)

	Pre-Issue as at December 31, 2023	As adjusted for the Issue (Post Issue)
<b>Total Borrowings</b>		
Current Borrowings (A) (including current maturity*)	13,862.76	[•]
Non-current Borrowings (B)	29,402.31	[•]
<b>Total Borrowings (C)= (A)+(B)</b>	<b>43,265.07</b>	[•]
<b>Total Equity attributable to the owners of the parent</b>		
Equity Share Capital (D)	1,40,981.36	[•]
Reserves and Surplus (E)	(20,662.73)	[•]
<b>Total Equity attributable to the owners of the parent (F)= (D)+(E)</b>	<b>1,20,318.63</b>	[•]
<b>Non-current Borrowings / Total Equity attributable to the owners of the parent (B)/(F)</b>	0.24	[•]
<b>Total Borrowings/ Total Equity attributable to the owners of the parent (C)/(F)</b>	0.36	[•]

\* These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended)

Note:

The corresponding post-Issue capitalization data for each of the amounts given in the above table is not determinable at this stage and hence the same have not been provided in the above statement.

For and on behalf of the Board of Directors of SEPC Limited



N K Suryanarayanan  
Managing Director & CEO  
Place: Chennai  
Date: April 15, 2024



Initialed For Identification Purposes Only



**SEPC Limited**  
(Formerly Shriram EPC Ltd)  
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10/1, Venkatanarayana Road, T. Nagar, Chennai - 600 017. Phone : +91-44-4900 5555  
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