

Independent Auditor's Review Report on unaudited consolidated financial results of SEPC Limited for the quarter and half year ended September 30, 2023 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To The Board of Directors of SEPC Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of SEPC Limited ('the Holding Company'), its subsidiary, (the Holding Company and its subsidiary together referred to as the 'Group') for the quarter and half year ended September 30, 2023 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulations').
2. This Statement, which is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. This Statement includes the results of the Holding Company and the following entity

Sr. No	Name of the Entity	Relationship with the Holding Company
1	Shriram EPC (FZE)-Sharjah	Subsidiary

5. Basis for Qualified Conclusion:

Our audit report on the consolidated financial statements for the year ended March 31, 2023 and our limited review report on the Statement for the quarter ended June 30, 2023 was qualified in respect of the matters stated below:

- i. The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. 33,289.92 Lakhs (September 30, 2022: Rs. 39,679.73 Lakhs) which was 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 comment on the adjustments, if any, on the Statement. (Refer Note 6 of the Statement).



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- ii. Non-Current Contract Assets include Rs. 7,351.90 Lakhs (Net of provisions amounting to Rs.926.98 Lakhs) (September 30, 2022: Rs.3,956.02 Lakhs) and Non-Current Trade Receivables include Rs.575.21 Lakhs (Net of provisions amounting to Rs. 82.99 Lakhs) relate to dues on projects which have been stalled due to delays in obtaining approvals from regulatory authorities. 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 Assets and Trade Receivables and the impact if any, on account of non-provisioning of the said balances, on the Statement. (Refer Note 3 of the Statement).

These qualifications have not been addressed by the Management of the Holding Company in the Statement for the period ended September 30, 2023.

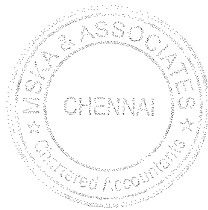
6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditor referred to in paragraph 7, with the exception of the matter described in the paragraph 5 and the effect thereon, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. The Statement includes the interim financial results of subsidiary company (including step down subsidiary) which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 15,574.47 Lakhs as at September 30, 2023 and total revenue of Rs. 65.43 Lakhs and Rs. 65.43 Lakhs, total net profit/(loss) after tax of Rs.22.47 Lakhs and (Rs.2.9 Lakhs) and total comprehensive income / (loss) of Rs. 22.47 Lakhs and (Rs.2.9 Lakhs) for the quarter ended September 30, 2023 and for the period from April 01, 2023 to September 30, 2023, respectively, and cash flows (net) of Rs. 1.61 Lakhs for the period from April 01, 2023 to September 30, 2023, as considered in the Statement. This interim financial results have been furnished to us by the Management and our conclusion on the Statement in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on such management prepared unaudited interim financial results. According to the information and explanations given to us by the Management, this interim financial results are not material to the Group.

Our conclusion is not modified in respect of the above matter.

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

Geetha

Geetha Jeyakumar
Partner
Membership No.: 029409
UDIN: 23029409BGTNDC5683



Place: Chennai
Date: November 09, 2023