

SEPC Limited

Registered Office: 4th Floor, Bascon Futura SV,
Door No. 10/1, Venkatnarayana Road, T. Nagar, Chennai - 600017.
www.shriramepc.com

Corporate Identity Number :L74210TN2000PLC045167

Extract of Consolidated audited Financial Results for the Quarter and Year Ended Ended 31 March 2023

Rs lakhs						
	Particulars	Quarter Ended			Year Ended	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		Audited	Un Audited	Audited	Audited	Audited
1	Total Income from Operations (Net)	15,012.47	12,402.22	9,444.29	39,887.81	34,059.07
2	Profit/ (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	1,007.42	103.37	(2,895.78)	(11,283.56)	(15,731.11)
3	Profit/ (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(2,014.53)	388.86	(13,535.04)	(490.38)	(26,370.37)
4	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(2,085.34)	485.27	(13,485.99)	(558.55)	(26,315.75)
5	Equity Share Capital (Face value of Rs 10/- each)	1,32,152.90	1,32,152.90	97,152.90	1,32,152.90	97,152.90
6	Earnings Per Share (of Rs. 10/- each)					
	(a) Basic	(0.16)	0.03	(1.39)	(0.04)	(2.71)
	(b) Diluted	(0.16)	0.03	(1.39)	(0.04)	(2.71)

Note:

- The above audited consolidated financial results for the quarter and year ended March 31, 2023 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on May 25, 2023.
- The above is an extract of the detailed results for the quarter and year ended March 31, 2023 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The detailed results for the quarter and year ended March 31, 2023 are available on the Stock Exchanges Website www.bseindia.com and www.nseindia.com and on the website of the Company www.shriramepc.com.
- The audited Standalone Results for the Quarter and Year ended March 31, 2023 are hereunder :

	Rs lakhs				
	Quarter Ended			Year Ended	
	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
Total Income from Operations	15,033.55	12,366.57	9,559.09	39,093.96	31,174.05
Profit/ (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	1,085.40	87.05	(2,171.05)	(11,925.42)	(14,261.76)
Profit/ (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	1,085.40	372.54	(8,532.31)	1,889.71	(20,623.02)
Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(2,007.36)	468.95	(12,761.26)	(1,200.41)	(24,846.39)

For SEPC Limited

Place :Chennai

Date : 25th May 2023

SEPC Limited

N K Suryanarayana
Managing Director & CEO

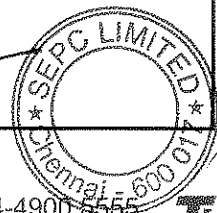
(Formerly Shriram EPC Ltd)

Regd. Office : 'Bascon Futura SV' - 4th Floor,

10/1, Venkatanarayana Road, T.Nagar, Chennai - 600 017. Phone : +91-44-4900 5555

E-mail: info@sepc.in Website : www.sepc.in

CIN: L74210TN2000PLC045167



Independent Auditor's Report on Standalone Audited Annual Financial Results of the Company 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

Report on the Audit of Standalone Financial Results

Qualified Opinion

We have audited the accompanying statement of standalone annual financial results of SEPC Limited (hereinafter referred to as 'the Company') for the year ended March 31, 2023 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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 paragraph below, the aforesaid Statement:

(i) is presented in accordance with the requirements of the Listing Regulations in this regard; and

(ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2023.

Basis for Qualified Opinion:

- a) Our audit report on the standalone financial results for the year ended March 31, 2022 and our limited review reports on the standalone financial results of the Company for the quarter ended December 31, 2022 were also 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 (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 08 of the Audited standalone financial results).
 - (ii) 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 balance, on the standalone financial results. (Refer to Note 05 of the Audited standalone financial results)

These qualifications have not been addressed by the Management of the Company in the Statement for the quarter ended March 31, 2023.



MSKA & Associates

Chartered Accountants

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 Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 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 following Notes to the Statement:

- A) Note 10 (i) to the Statement, 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 10 (ii) to the Statement, which states that the management has written off an amount of Rs. 5,820.08 Lakhs towards amounts due on account of work performed on a contract entered into with 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 the above matters.

Management and Board of Directors' Responsibilities for the Standalone Financial Results

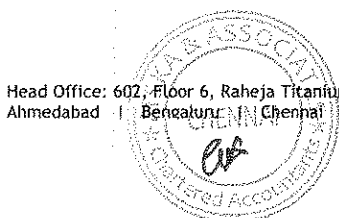
This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. 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 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the financial reporting process of the Company.

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

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Statement.



MSKA & Associates

Chartered Accountants

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 Statement, 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 Company 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 Statement 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company 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.

Other Matters

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

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

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



Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 23029409BGTMVH4428

Place: Chennai
Date: May 25, 2023





SEPC Limited

Engineering the Future

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Statement of Standalone Audited Financial Results for the Quarter and Year Ended March 31, 2023.

Rs. Lakhs

to	Particulars	Quarter Ended			Year Ended	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		Audited (Refer note 16)	Unaudited	Audited (Refer note 16)	Audited	Audited
Income						
(a) Revenue from operations		14,222.67	12,245.33	9,239.08	37,884.66	30,278.64
(b) Other Income		810.88	121.24	320.01	1,209.30	895.41
Total Income from operations		15,033.55	12,366.57	9,559.09	39,093.96	31,174.05
Expenses						
(a) Cost of Materials, Erection, Construction & Operation Expenses		12,192.14	9,453.10	4,830.03	31,852.15	24,866.50
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-	-	-	248.20
(c) Employee benefits expense		675.93	717.58	1,058.21	3,335.46	3,682.27
(d) Finance Costs (Refer Note 11)		933.50	1,227.04	2,997.65	6,038.86	11,568.38
(e) Depreciation and amortisation expense		138.73	202.95	160.24	614.62	574.85
(f) Other expenses		7.85	678.85	2,684.01	9,178.29	4,495.61
Total expenses		13,948.15	12,279.52	11,730.14	51,019.38	45,435.81
Profit/(Loss) before exceptional items and tax (1-2)		1,085.40	87.05	(2,171.05)	(11,925.42)	(14,261.76)
Exceptional Items-(income)/expense (Refer Note No 10)		-	(285.49)	6,361.26	(13,815.13)	6,361.26
Profit/(Loss) before tax (3 - 4)		1,085.40	372.54	(8,532.31)	1,889.71	(20,623.02)
Tax Expense (Refer Note 13)						
Current Tax		-	-	-	-	-
Deferred Tax		3,021.95	-	4,278.00	3,021.95	4,278.00
Total		3,021.95	-	4,278.00	3,021.95	4,278.00
Profit/(Loss) for the period / year (5 - 6)		(1,936.55)	372.54	(12,810.31)	(1,132.24)	(24,901.02)
Other comprehensive income / (loss) (OCI)						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
Re-measurement gains on defined benefit plans (Net of Taxes)		(64.44)	86.94	13.90	(56.38)	15.61
Fair Value of Equity Instruments through OCI (Net of Taxes)		(6.37)	9.47	35.15	(11.79)	39.01
Total Other comprehensive income		(70.81)	96.41	49.05	(68.17)	54.62
Total comprehensive Profit/ (Loss) for the period / year (7+8)		(2,007.36)	468.95	(12,761.26)	(1,200.41)	(24,846.39)
Paid-up equity share capital (Face value ₹ 10 each)		1,32,152.90	1,32,152.90	97,152.90	1,32,152.90	97,152.90
Other Equity		-	-	-	(23,748.67)	(22,548.28)
Earnings per share (of Rs 10/- each) (not annualised for the period):						
(a) Basic		(0.16)	0.03	(1.31)	(0.09)	(2.56)
(b) Diluted		(0.16)	0.03	(1.31)	(0.09)	(2.56)

See accompanying notes to the financial results

SEPC Limited

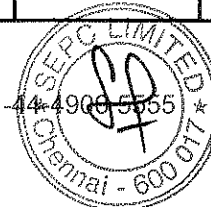
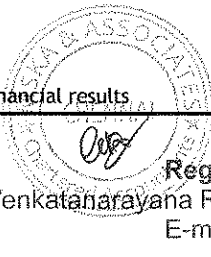
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CIN: L74210TN2000PLC045167



SEPC Limited

Standalone Statement of Assets and Liabilities as at March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

	As at 31-03-2023	As at 31-03-2022
ASSETS		
Non-current assets		
Property, plant and equipment	3,272.80	3,841.93
Right to Use Assets	322.39	233.09
Intangible assets	27.96	32.00
Contract Assets	7,351.90	3,956.02
Financial assets		
Investments	65.20	76.98
Loans	697.48	8,131.35
Trade Receivables	18,206.23	18,768.50
Other Financial Assets	1,030.50	1,081.79
Deferred tax asset (net)	40,323.55	43,345.50
Income tax assets (net)	1,549.38	1,412.38
Total Non-Current Assets	72,847.39	80,879.54
Current assets		
Contract Assets	73,246.59	79,708.74
Financial assets		
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 financial assets	123.37	889.02
Other current assets	10,642.13	11,698.56
Assets classified as held for sale	-	596.06
Total Current Assets	1,13,268.85	1,23,885.41
Total Assets	1,86,116.24	2,04,764.95
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,32,152.90	97,152.90
Other equity	(23,748.67)	(22,548.28)
Total Equity	1,08,404.23	74,604.62
Liabilities		
Non-Current Liabilities		
Financial liabilities		
Lease Liabilities	252.04	201.93
Borrowings	26,772.64	15,364.47
Other financial liabilities	4,024.26	4,465.38
Provisions	479.77	540.50
Other non-current liabilities	2,078.30	2,202.91
Total Non-Current Liabilities	33,607.01	22,775.19
Current liabilities		
Financial liabilities		
Lease Liabilities	98.45	36.60
Borrowings	13,810.58	82,462.97
Trade payables	-	-
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	24,427.86	15,873.15
Other financial liabilities	1,621.56	1,885.00
Other current liabilities	445.95	688.87
Contract Liabilities	3,432.75	5,934.02
Provisions	267.85	504.53
Total Current Liabilities	44,105.00	1,07,385.14
Total Liabilities	77,712.01	1,30,160.33
Total Equity and Liabilities	1,86,116.24	2,04,764.95

**SEPC**

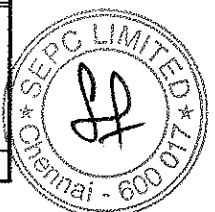
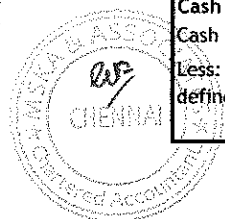
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SEPC Limited

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 liability	(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
Cash flow from Financing activities		
Proceeds from issue of capital	35,000.00	-
Proceeds from Short term borrowings (net)	359.20	6,839.26
Repayment of Long & Short term borrowings	(31,759.02)	-
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



No	Notes:
1	The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 25th May 2023 and has been subjected to audit by the Statutory Auditors of the Company. These audited standalone financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended.
2	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. The stock exchanges vide their letters dated February 02, 2023 has approved the application made by the Company for reclassification of promoters from SVL Limited to Mark AB Capital Investment LLC, Dubai. SVL Limited has been reclassified under Public holding with effect from February 03, 2023.
3	i) 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 1,32,15,29,025 equity shares of Rs.10/- each. ii) 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.
4	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 49900000 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 49900000 Rights Equity Shares to the eligible Shareholders.
5	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) 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. The auditors have qualified this matter in their report for the quarter and year ended March 31, 2023.
6	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.
7	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, 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.
8	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). 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.



SEPC Limited

(Formerly Shriram EPC Ltd)

Regd. Office : 'Bascon Futura SV' - 4th Floor,

10/1, Venkatanarayana Road, T.Nagar, Chennai - 600 017. Phone : +91-44-4900 5555

E-mail: info@shriramepc.com Website : www.sepc.in

CIN: L74210TN2000PLC045167

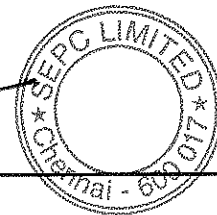


- 9 The Company has incurred net loss before exceptional items during the year ended March 31, 2023 amounting to Rs. 11,925.42 Lakhs and as of that date has accumulated losses aggregating Rs. 2,15,649.26 Lakhs. Resolution Plan submitted in accordance with the requirement set out in the circular issued 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 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, these financial results are prepared on a going concern basis.
- 10 **Exceptional items:**
(i) Year ended March 31, 2023 includes an amount of Rs. 19,634.82 Lakhs (an amount of Rs.1,059.25 Lakhs accounted during December 31, 2022, an amount of Rs. 18,575.57 Lakhs accounted during September 30, 2022) resulting from implementation of Resolution Plan entered into with the lenders dated June 22, 2022, 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) (a) During the quarter ended December 31, 2022, contract assets amounting to Rs 774.15 lakhs was written off, in respect of a project stopped by the client consequent to an order of the National Green Tribunal restraining the client from proceeding with the project.
(b) During the quarter ended September 30, 2022, contract assets amounting to Rs. 5,045.93 Lakhs was written off, on account of wrongful termination of a contract and consequent legal disputes / arbitration proceedings initiated during the quarter in respect of a project with the customer.
(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.
- 11 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.
During March 23, 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 our presence in Gulf Cooperation Council region (GCC) using Company's qualifications and promoter MARK AB experience in that region.
- 12 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. However, tax expense includes deferred tax asset on unabsorbed business loss written off amounting to Rs.2,878.38 Lakhs during the current year ended March 31, 2023 and Rs.4,278.00 Lakhs during the previous year ended March 2022.
- 14 The Company is engaged in the sole activity of carrying on the business of "Engineering, Procurement and Construction" (EPC) and therefore, has only one reportable segment in accordance with Ind AS 108 "Operating Segments". Hence no separate segment reporting is applicable to the Company.
- 15 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date from which the Code will come into effect has not yet been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact from the period the Code becomes effective.
- 16 The figures of the quarter ended March 31, 2023 / 2022 are the balancing figures between the audited figures in respect of the financial year up to March 31, 2023 / 2022 and the unaudited published year-to-date figures up to December 31, 2022 / 2021 being the date of the end of third quarter of the financial year which were subjected
- 17 Previous year/period figures have been regrouped / reclassified to be in conformity with current period's classification/disclosure, wherever necessary.

Place: Chennai
Date : May 25, 2023

For SEPC Limited

N K Suryanarayanan
Managing Director & CEO



SEPC Limited

(Formerly Shriram EPC Ltd)

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ANNEXURE I

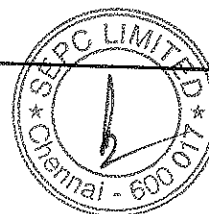
Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023, [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]



Engineering the Future

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total income		Rs lakhs
2	Total Expenditure	39,093.96	
3	Net Profit/(Loss)	51,019.38	
4	Earnings Per Share	-11,925.42	
5	Total Assets	-0.09	
6	Total Liabilities	1,86,116.24	
7	Net Worth	77,712.01	
8	Any other financial item(s) (as felt appropriate by the management)	1,08,404.23	
II.	Audit Qualification (each audit qualification separately):		
	a. Details of Audit Qualification:		
1(a)	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 results. (Refer to Note 05 of the Audited standalone financial results). These qualifications have not been addressed by the Management of the Company in the Statement for the quarter ended March 31, 2023.		
	Note No 5 as appearing in the Standalone Financial Results for the quarter and year ended March 31, 2023		
	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) 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. The auditors have qualified this matter in their report for the quarter and year ended March 31, 2023.		
1(b)	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 08 of the Audited standalone financial results). These qualifications have not been addressed by the Management of the Company in the Statement for the quarter ended March 31, 2023.		
	Note No 8 as appearing in the Standalone Financial Results for the quarter and year ended March 31, 2023		
	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). 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.		
1(c)	Emphasis of Matter		
	We draw attention to following Notes to the Statement:		
	A) Note 10 (i) to the Statement, 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 10 (ii) to the Statement, which states that the management has written off an amount of Rs. 5,820.08 Lakhs towards amounts due on account of work performed on a contract entered into with 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 the above matters.		



<p>Note No 10 as appearing in the Standalone Financial Results for the quarter and year ended March 31, 2023</p>	
<p>(i) Year ended March 31, 2023 includes an amount of Rs. 19,634.82 Lakhs (an amount of Rs. 1,059.25 Lakhs accounted during December 31, 2022, an amount of Rs. 18,575.57 Lakhs accounted during September 30, 2022) resulting from implementation of Resolution Plan entered into with the lenders dated June 22, 2022, 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.</p> <p>(ii) (a) During the quarter ended December 31, 2022, contract assets amounting to Rs 774.15 lakhs was written off, in respect of a project stopped by the client consequent to an order of the National Green Tribunal restraining the client from proceeding with the project.</p> <p>(b) During the quarter ended September 30, 2022, contract assets amounting to Rs. 5,045.93 Lakhs was written off, on account of wrongful termination of a contract and consequent legal disputes / arbitration proceedings initiated during the quarter in respect of a project with the customer.</p> <p>(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.</p>	
<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p>	<p>Qualification 1(a)- Repetitive Second Year</p>
<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>	<p>Qualification 1(b)- Repetitive (Fourth Year)</p> <p>Emphasis of Matter -1(c)- First Year</p> <p>Not Applicable</p>
<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification:</p> <p>1 Turnover / Total income</p> <p>2 Total Expenditure</p> <p>3 Net Profit/(Loss)</p> <p>4 Earnings Per Share</p> <p>5 Total Assets</p> <p>6 Total Liabilities</p> <p>7 Net Worth</p> <p>(ii) If management is unable to estimate the impact, reasons for the same :</p>	<p>Nil</p> <p>Management is of the view that the entire amount is recoverable</p>
<p>(iii) Auditors' Comments on (i) or (ii) above:</p> <p>III. <u>Signatories:</u></p> <p></p> <p>N K Suryanarayanan Managing Director & CEO</p> <p></p> <p>Audit Committee Chairman</p>	<p>NA</p> <p></p> <p>R.S Chandrasekharan Chief Financial Officer</p> <p>For MSKA & Associates  Chartered Accountants Geetha Jeyakumar Partner MNO-29409</p> <p></p>
<p>Place: Chennai</p> <p>Date : 25th May 2023</p>	

Independent Auditor's Report on Consolidated Audited Annual Financial Results of the Group 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 [Holding Company]

Report on the Audit of Consolidated Financial Results

Qualified Opinion

We have audited the accompanying statement of Consolidated annual financial results of **SEPC Limited** (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), for the year ended March 31, 2023, ('the Statement') attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiary, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Statement:

(i) includes the annual financial results of Holding Company and the following entity

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

(ii) is presented in accordance with the requirements of the Listing Regulations in this regard; and

(iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Group for the year ended March 31, 2023.

Basis for Qualified Opinion

a) Our audit report on the consolidated financial results for the year ended March 31, 2022 and our limited review reports on the consolidated financial results of the Company for the quarter ended December 31, 2022 were also 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 (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 profit 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 08 of the Audited consolidated financial results).

(ii) 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 a 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 balance, on the consolidated financial results. (Refer Note 05 of the Audited consolidated financial results).



These qualifications have not been addressed by the Management of the Group in the Statement for the quarter ended March 31, 2023.

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 Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and other auditor in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to following Notes to the Statement:

- A) Note 10 (i) to the Statement, 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 10 (ii) to the Statement, which states that the management has written off an amount of Rs. 5,820.08 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 the above matters.

Management and Board of Directors' Responsibilities for the Consolidated Financial Results

This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 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 Statement 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 Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, 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 respective Board of Directors either intends to liquidate the Group and of 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 Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 this Statement.

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 Statement, 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 Holding 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 Statement 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, 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 Statement 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.

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



MSKA & Associates

Chartered Accountants

Other Matters

1. The Statement includes the audited Financial Results of one subsidiary company (Including step down subsidiary), whose financial results reflect Group's share of total assets of Rs. 15,623.16 Lakhs as at March 31, 2023, Group's share of total revenue of Rs. 793.85 Lakhs, Group's share of total net profit after tax of Rs. 641.85 Lakhs, and Group's share of total comprehensive income of Rs. 641.85 Lakhs, for the year ended March 31, 2023 and Group's net cash flow of Rs. 15.13 Lakhs for the year ended March 31, 2023 respectively, as considered in the Statement, which have been audited by the other auditor whose reports on financial results of this entity have been furnished to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

2. The subsidiary (Including step down subsidiary) is located outside India whose financial results has been prepared in accordance with the accounting principles generally accepted in their respective country and which has been audited by other auditor under generally accepted auditing standards applicable in their respective country. The Holding Company's Management has converted the financial results of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India.

We have audited these conversion adjustments made by the Holding Company's Management. Our opinion on the Statement, in so far as it relates to the financial results of such 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 is not modified in respect of the above matter.

3. The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

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

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.105047W



Geetha Jeyakumar

Partner

Membership No.: 029409

UDIN: 23029409BGTMTVI7852

Place: Chennai

Date: May 25, 2023



SEPC Limited
Regd Office : Boscon Futura SV- 4th Floor,
10/1, Venkatanarayana Road, T Nagar, Chennai - 600017.
CIN: L74210TN2000PLC045167
Website: www.shriramepc.com

Statement of Consolidated audited Financial Results for the Quarter and Year Ended March 31, 2023.

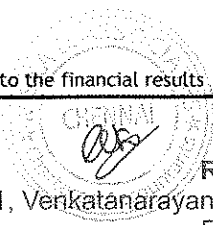
Rs. Lakhs

S No	Particulars	Quarter Ended			Year Ended	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		Audited (Refer note 16)	Unaudited	Audited (Refer note 16)	Audited	Audited
1	Income					
	(a) Revenue from operations	14,222.67	12,245.33	9,239.08	37,884.66	32,945.65
	(b) Other Income	789.80	156.89	205.21	2,003.15	1,113.42
	Total Income from operations	15,012.47	12,402.22	9,444.29	39,887.81	34,059.07
2	Expenses					
	(a) Cost of Materials, Erection, Construction & Operation Expenses	12,192.15	9,455.42	5,529.82	31,905.03	29,002.23
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	248.20
	(c) Employee benefits expense	675.93	717.79	1,063.22	3,340.15	3,699.44
	(d) Finance Costs (Refer Note 11)	933.76	1,228.26	2,878.76	6,039.75	11,568.38
	(e) Depreciation and amortisation expense	138.73	202.96	160.37	614.73	582.66
	(f) Other expenses	64.48	694.42	2,707.90	9,271.71	4,689.27
	Total expenses	14,005.05	12,298.85	12,340.07	51,171.37	49,790.18
3	Profit/(Loss) before exceptional items and tax (1-2)	1,007.42	103.37	(2,895.78)	(11,283.56)	(15,731.11)
4	Exceptional Items- (income)/expense (Refer Note No 10)	-	(285.49)	6,361.26	(13,815.13)	6,361.26
5	Profit/(Loss) before tax (3 - 4)	1,007.42	388.86	(9,257.04)	2,531.57	(22,092.37)
6	Tax Expense (Refer Note 13)					
	Current Tax	-	-	-	-	-
	Deferred Tax	3,021.95	-	4,278.00	3,021.95	4,278.00
	Total	3,021.95	-	4,278.00	3,021.95	4,278.00
7	Profit/(Loss) for the period / year (5 - 6)	(2,014.53)	388.86	(13,535.04)	(490.38)	(26,370.37)
8	Other comprehensive income / (loss) (OCI)					
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
	Re-measurement gains on defined benefit plans (Net of Taxes)	(64.43)	86.94	13.90	(56.38)	15.61
	Fair Value of Equity Instruments through OCI (Net of Taxes)	(6.38)	9.47	35.15	(11.79)	39.01
	Total Other comprehensive income	(70.81)	96.41	49.05	(68.17)	54.62
9	Total comprehensive Profit / (Loss) for the period / year (7+8)	(2,085.34)	485.27	(13,485.99)	(558.55)	(26,315.75)
10	Paid-up equity share capital (Face value ₹ 10 each)	1,32,152.90	1,32,152.90	97,152.90	1,32,152.90	97,152.90
11	Other Equity	-	-	-	(23,503.32)	(23,352.89)
12	Earnings per share (of Rs 10/- each) (not annualised for the period):					
	(a) Basic	(0.16)	0.03	(1.39)	(0.04)	(2.71)
	(b) Diluted	(0.16)	0.03	(1.39)	(0.04)	(2.71)
	See accompanying notes to the financial results					

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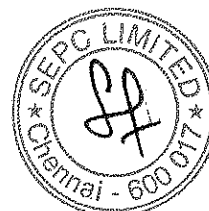
Engineering the Future

SEPC Limited

Consolidated Statement of Assets and Liabilities as at March 31, 2023

(Amount in ₹ lakhs, unless otherwise stated)

	As at 31-03-2023	As at 31-03-2022
ASSETS		
Non-current assets		
Property, plant and equipment	3,272.98	3,842.03
Right to Use Assets	322.39	233.09
Intangible assets	27.96	32.00
Contract Assets	7,351.90	3,956.02
Financial assets		
Investments	40.94	52.72
Loans	697.48	8,131.35
Trade Receivables	18,206.25	18,768.50
Other Financial Assets	1,041.14	1,091.57
Deferred tax asset (net)	40,323.55	43,345.50
Income tax assets (net)	1,549.39	1,412.42
Total Non-Current Assets	72,833.98	80,865.20
Current assets		
Contract Assets	73,246.59	79,708.74
Financial assets		
Trade receivables	29,206.01	37,250.48
Cash and cash equivalents	3,304.59	582.67
Other bank balances	1,730.33	2,387.49
Other financial assets	123.37	879.25
Other current assets	19,737.49	20,052.12
Assets classified as held for sale	-	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	1,32,152.90	97,152.90
Other equity	(23,503.32)	(23,352.89)
Non-Controlling Interest	159.58	146.61
Total Equity	1,08,809.16	73,946.62
Liabilities		
Non-Current Liabilities		
Financial liabilities		
Lease Liabilities	252.04	201.93
Borrowings	26,772.64	15,364.47
Other financial liabilities	4,024.26	4,465.38
Provisions	479.77	540.50
Other non-current liabilities	2,078.30	2,202.91
Total Non-Current Liabilities	33,607.01	22,775.19
Current liabilities		
Financial liabilities		
Lease Liabilities	98.45	36.60
Borrowings	13,810.58	82,462.97
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	37,957.02	33,968.22
Other financial liabilities	1,625.07	1,875.25
Other current liabilities	445.95	689.94
Contract Liabilities	3,432.75	5,934.03
Provisions	396.37	633.19
Total Current Liabilities	57,766.19	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



SEPC Limited

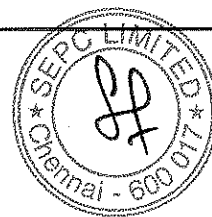
Consolidated Statement of cash flows for the Year ended March 31, 2023

(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	6,038.86	12,534.31
Interest income	(312.71)	(1,074.50)
Fair value gain on liability	(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	3,930.18	(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	2,224.08	(5,284.25)
Income tax paid	(136.97)	(1,915.15)
Net cash (used in) / from operating activities (A)	2,087.11	(7,199.40)
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	312.71	578.52
Net cash flow from investing activities (B)	1,248.11	102.52
Cash flow from Financing activities		
Proceeds from Capital	35,000.00	-
Proceeds from Short term borrowings (net)	359.20	6,875.26
Repayment of Long & Short term borrowings	(31,759.22)	-
Interest and Finance Charges Paid	(4,155.09)	-
Repayment of finance lease obligation	(58.19)	(36.60)
Net cash flow (used in) / from financing activities (C)	(613.30)	6,838.69
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



No	Notes:
1	The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 25th May 2023 and has been subjected to audit by the Statutory Auditors of the Company. These audited consolidated financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended.
2	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. The stock exchanges vide their letters dated February 02, 2023 has approved the application made by the Company for reclassification of promoters from SVL Limited to Mark AB Capital Investment LLC, Dubai. SVL Limited has been reclassified under Public holding with effect from February 3, 2023.
3	i) 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 1,32,15,29,025 equity shares of Rs.10/- each. ii) 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.
4	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 49900000 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 49900000 Rights Equity Shares to the eligible Shareholders.
5	Contract asset(Non- Current) includes Rs 7,351.90 lakhs(net of provisions amounting to Rs 926.98 lakhs)(March 31, 2022, Rs 3956.02 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. The auditors have qualified this matter in their report for the quarter and year ended March 31, 2023.
6	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.
7	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, 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.
8	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). 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.



SEPC Limited

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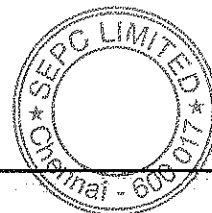
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- 9 The Company has incurred net loss before exceptional items during the year ended March 31, 2023 amounting to Rs. 11,283.56 Lakhs and as of that date has accumulated losses aggregating Rs. 2,15,595.87 Lakhs. Resolution Plan submitted in accordance 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 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, these financial results are prepared on a going concern basis.
- 10 **Exceptional items:**
- (i) Year ended March 31, 2023 includes an amount of Rs. 19,634.82 Lakhs (an amount of Rs.1,059.25 Lakhs accounted during December 31, 2022, an amount of Rs. 18,575.57 Lakhs accounted during September 30, 2022) resulting from implementation of Resolution Plan entered into with the lenders dated June 22, 2022, 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) (a) During the quarter ended December 31, 2022, contract assets amounting to Rs 774.15 lakhs was written off, in respect of a project stopped by the client consequent to an order of the National Green Tribunal restraining the client from proceeding with the project.
(b) During the quarter ended September 30, 2022, contract assets amounting to Rs. 5,045.93 Lakhs was written off, on account of wrongful termination of a contract and consequent legal disputes / arbitration proceedings initiated during the quarter in respect of a project with the customer.
- (iii) Exceptional item for 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.
- 11 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.
- 12 During March 23, 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 our presence in Gulf Cooperation Council region (GCC) using Company's qualifications and promoter MARK AB experience in that region.
- 13 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. However, tax expense includes deferred tax asset on unabsorbed business loss written off amounting to Rs.2,878.38 Lakhs during the current year ended March 31, 2023 and Rs.4,278.00 Lakhs during the previous year ended March 2022.
- 14 The Company is engaged in the sole activity of carrying on the business of "Engineering ,Procurement and Construction " (EPC) and therefore, has only one reportable segment in accordance with Ind AS 108 "Operating Segments". Hence no separate segment reporting is applicable to the Company.
- 15 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date from which the Code will come into effect has not yet been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact from the period the Code becomes effective
- 16 The figures of the quarter ended March 31, 2023 / 2022 are the balancing figures between the audited figures in respect of the financial year up to March 31, 2023 / 2022 and the unaudited published year-to-date figures up to December 31, 2022 / 2021 being the date of the end of third quarter of the financial year which were subjected to limited review.
- 17 Previous period/year figures have been regrouped / reclassified to be in conformity with current period's classification/disclosure, wherever necessary.

For SEPC Limited


N K Suryanarayanan
Managing Director & CEO



Place: Chennai
Date : 25th May 2023



SEPC Limited

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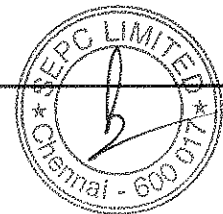
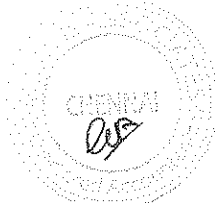


INEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023, [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
		Rs lakhs	
1	Turnover / Total income	39,887.81	
2	Total Expenditure	51,171.37	
3	Net Profit/(Loss)	-11,283.56	
4	Earnings Per Share	-0.04	
5	Total Assets	2,00,182.36	
6	Total Liabilities	91,373.20	
7	Net Worth	1,08,809.16	
8	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):		
	a. Details of Audit Qualification:		
1(a)	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 results. (Refer Note 05 of the Audited consolidated financial results). These qualifications have not been addressed by the Management of the Group in the Statement for the quarter ended March 31, 2023.		
	Note No 5 as appearing in the Consolidated Financial Results for the quarter and year ended March 31, 2023		
	Contract asset(Non- Current) includes Rs 7351.45 lakhs(net of provisions amounting to Rs 926.98 lakhs)(March 31, 2022, Rs 3956.02 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. The auditors have qualified this matter in their report for the quarter and year ended March 31, 2023.		
1(b)	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 profit 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 08 of the Audited consolidated financial results).These qualifications have not been addressed by the Management of the Group in the Statement for the quarter ended March 31, 2023.		
	Note No 8 as appearing in the Consolidated Financial Results for the quarter and year ended March 31, 2023		
	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). 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.		
1(c)	Emphasis of Matter		
	We draw attention to following Notes to the Statement:		
	A) Note 10 (i) to the Statement, 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 10 (ii) to the Statement, which states that the management has written off an amount of Rs. 5,820.08 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 the above matters.		





Engineering the Future

Note No 10 as appearing in the Consolidated Financial Results for the quarter and year ended March 31, 2023

(i) Year ended March 31, 2023 includes an amount of Rs. 19,634.82 Lakhs (an amount of Rs.1,059.25 Lakhs accounted during December 31, 2022, an amount of Rs. 18,575.57 Lakhs accounted during September 30, 2022) resulting from implementation of Resolution Plan entered into with the lenders dated June 22, 2022, 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) (a) During the quarter ended December 31, 2022, contract assets amounting to Rs 774.15 lakhs was written off, in respect of a project stopped by the client consequent to an order of the National Green Tribunal restraining the client from proceeding with the project.

(b) During the quarter ended September 30, 2022, contract assets amounting to Rs. 5,045.93 Lakhs was written off, on account of wrongful termination of a contract and consequent legal disputes / arbitration proceedings initiated during the quarter in respect of a project with the customer.

c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing

Qualification 1(a)- Repetitive Second Year

Qualification 1(b)- Repetitive (Fourth Year)

Emphasis of Matter -1(c)- First Year

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views

Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

Nil

- 1 Turnover / Total income
- 2 Total Expenditure
- 3 Net Profit/(Loss)
- 4 Earnings Per Share
- 5 Total Assets
- 6 Total Liabilities
- 7 Net Worth

(ii) If management is unable to estimate the impact, reasons for the same :

Management is of the view that the entire amount is recoverable

(iii) Auditors' Comments on (i) or (ii) above:

NA

III.

Signatories:

N K Suryanarayanan
Managing Director & CEO

R .S Chandrasekharan
Chief Financial Officer

Audit Committee Chairman

For MSKA & Associates
Chartered Accountants
Geetha Jayakumar
Partner
MAY 29 2023

Place: Chennai
Date : 25th May 2023

