

September 05, 2024

**National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor,  
Bandra Kurla Complex,  
Mumbai 400051  
SYMBOL: SEPC

**BSE Limited**

14<sup>th</sup> Floor, PJ Towers,  
Dalal Street,  
Mumbai 400051  
Scrip Code: 532945

Dear Sir/Madam,

**Sub: Submission of Annual Report along with Notice of 24<sup>th</sup> Annual General Meeting  
for the financial year 2023-24**

The Annual Report for the financial year 2023-24, including the notice convening 24<sup>th</sup> Annual General Meeting of the Members of the Company scheduled to be held on Friday, September 27, 2024 at 12.00 Noon (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) is enclosed.

We request you to take the same on records.

Thanking you,  
Yours faithfully,

**For SEPC Limited**

**T Sriraman**

**Company Secretary & Compliance Officer**

**Encl.:a.a.**



**SEPC Limited**

(Formerly Shriram EPC Ltd)

Regd. Office : 'Bascon Futura SV', - 3rd Floor,  
10/1, Venkatanarayana Road, T. Nagar, Chennai - 600 017. Phone : +91-44-4900 5555  
E-mail : [info@sepc.in](mailto:info@sepc.in) Website : [www.sepc.in](http://www.sepc.in)  
CIN: L74210TN2000PLC045167





**SEPC**

Engineering the Future



**SEPC Limited**

(formerly known as Shriram EPC Limited)

Twenty Fourth Annual Report  
**2023-24**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

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

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

Dr. R Ravichandran  
(DIN 01929603) - Independent Director

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

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

Ms. S Gayathri  
(DIN 07342382) - Independent Director

### **CHIEF FINANCIAL OFFICER**

Mr. R.S. Chandrasekharan

### **COMPANY SECRETARY & Compliance Officer**

Mr. T Sriraman

### **AUDITORS**

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

### **BANKERS**

Punjab National Bank

Central Bank of India

Axis Bank Limited

IDBI Bank Limited

State Bank of India

Bank of India

Indian Bank

Bank of Maharashtra

Bank of Baroda

ICICI Bank Limited

IndusInd Bank Limited

DBS Bank India Limited

Union Bank of India

Federal Bank Limited

Yes Bank Limited

IFCI Factors Limited

Asset Reconstruction Company (India) Limited

Assets Care & Reconstruction Enterprise Limited

### **REGISTERED OFFICE**

10/1, Bascon Futura, 3<sup>rd</sup> Floor, Venkatanarayana Road,  
T. Nagar, Chennai – 600 017.

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## CHAIRMAN'S MESSAGE

On behalf of the Board of Directors, I am pleased to present you the 24<sup>th</sup> Annual Report of your Company – SEPC Limited, for the year ended March 31, 2024.

I also have pleasure in informing you that the Wholly Owned Subsidiary(WOS) of your Company M/s Shriram EPC FZE, Sharjah had successfully concluded the execution of Share Purchase Agreement for the acquisition of 75% of ALMOAYYED Electrical Equipment & Instrumentation Systems LLC (AEEIS) Abudhabi, UAE.

I am also glad to announce that the WOS in Sharjah Free Zone has received the Notice to commence work on Construction of Cement Project at a total project cost in excess of USD 325 Million (equivalent to in excess of Rs 2,700 Cr at current Exchange Rate) from M/s JV OHONGORON CEMENT MS LLC at Tashkent, Republic of Uzbekistan.

Your Company has also registered a new WOS in Saudi Arabia to execute projects in rapidly expanding Saudi market.

Your Company successfully concluded Rights Issue of Rs 49.90 crores each in May 23 and December 2023 for augmenting working capital. Furthermore, in July 2024, your Company had concluded Rights Issue of Rs.200 Crores, partially for Pre-payment of Cash Credit and balance for long-term working capital requirements of your Company. I express my heartfelt gratitude to all the investors who exhibited confidence in the Company and its new Management, resulting in an over subscription of the issue.

Our dedicated team is actively pursuing new opportunities in India to enhance our order book. In line with our strategic expansion efforts, and with the WOS and Step-down Subsidiaries are poised to unlock promising opportunities overseas.

I take this opportunity to extend my appreciation to all stakeholders, including our esteemed bankers, for their unwavering and proactive support. I also extend my heartfelt thanks to our dedicated employees, who are optimistic about the future prospects of your Company. I wish each of you, as shareholders, and the Company as a whole, continued success and prosperity.

Warm regards,

Abdulla Mohammad Ibrahim Hassan Abdulla  
Chairman

## FINANCIAL PERFORMANCE - STANDALONE

(₹ in Crores)

Statement of Profit and Loss	IGAAP			IND AS						
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Gross Sales	547.66	547.60	519.69	615.04	740.66	681.05	531.93	302.78	378.85	560.98
Other Income	11.03	113.03	87.83	105.33	74.27	48.18	21.31	8.95	12.09	45.58
Interest	190.87	271.73	297.59	103.51	95.45	98.80	106.56	115.68	60.39	44.38
Profit Before Taxation	(252.62)	(244.03)	(226.39)	24.26	28.62	(80.99)	(182.89)	(206.23)	(18.90)	22.67
Profit After Taxation	(252.85)	(244.03)	(150.92)	10.76	28.62	(80.99)	(182.89)	(249.01)	(11.32)	22.67

Balance Sheet	IGAAP			IND AS						
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Fixed Assets (Net)	70.41	55.21	6,087.37	5,579.13	5,378.42	49.28	44.04	38.74	33.00	28.55
Investments (Current and Noncurrent)	45.49	5.42	1.33	1.31	1.12	1.02	1.04	0.77	0.65	1.02
Net Deferred Tax	-	414.26	489.74	476.24	476.24	476.24	476.24	433.45	403.23	403.23
Net Assets (Current and NonCurrent)	2,551.98	2,128.43	1,985.41	1,793.44	2,006.19	1,236.38	994.51	746.05	1,424.28	1,633.55
Share Capital	386.36	330.63	936.97	971.53	971.53	971.53	971.53	971.53	1,321.53	1,409.81
Other Equity	(324.38)	(403.77)	191.67	257.79	286.55	205.67	22.98	(225.48)	(237.49)	(202.42)
Loan Funds	2,121.42	1,878.88	836.19	793.28	632.60	658.32	789.12	978.27	405.84	452.14

## Notice of Twenty Fourth Annual General Meeting

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of the Company will be held on Friday, September 27, 2024 at 12.00 Noon through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility to transact the following items of business:

### ORDINARY BUSINESS:

1. **To consider and adopt the Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2024 along with the Report of the Board of Directors and of the Auditors.**

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

**"RESOLVED THAT** the Standalone and Consolidated Audited Financial Statements for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon be and are hereby considered and adopted."

2. To appoint a director in place of Mr. N K Suryanarayanan (DIN: 01714066) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

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

**"RESOLVED THAT** pursuant to Section 152(6) of the Companies Act, 2013, Mr. N K Suryanarayanan (DIN: 01714066) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-

### Notes:

1. The 24<sup>th</sup> Annual General meeting (AGM) of the company will be held over Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") in compliance with framework issued by the Ministry of Corporate Affairs through its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022, Circular No. 09/2023 dated September 25, 2023 (Collectively referred to as "MCA Circulars") read along with Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023. The

appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

### SPECIAL BUSINESS:

3. **Ratification of remuneration of Cost Auditor for the financial year ending March 31, 2025.**

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

**"RESOLVED THAT** pursuant to Section 148 (3) and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 60,000/- (Rupees Sixty Thousand only) plus applicable taxes and payment of such out of pocket expenses as approved by the Board of Directors of the Company to be paid to GSVK & Co., Cost Accountants, Firm Registration No. 002371 for the conduct of the audit of the cost accounting records of the Company for the financial year ending March 31, 2025 be and is hereby ratified."

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

By the order of the board  
for **SEPC Limited**

Place: Chennai  
Date: : August 14, 2024

**T. Sriraman**  
Company Secretary

deemed venue for the 24<sup>th</sup> AGM shall be the Registered Office of the Company.

2. Since the AGM is being held over video conferencing where physical attendance of members in any case has been dispensed with, a member entitled to attend and vote at the meeting will not be eligible to appoint proxies to attend the meeting instead of him/her. Accordingly, the proxy form and attendance slip are not attached to this notice and the resultant requirement for submission of proxy forms does not arise.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing's body resolution/authorization etc., authorizing their representative to attend the 24<sup>th</sup> AGM through VC / OAVM on its behalf and to vote through remote e-Voting. The said resolution/ authorization shall be sent to the Scrutinizer by email through its registered email address to alagarcs@gmail.com and evoting@cdslindia.com.



4. The register of members and share transfer books of the Company will remain closed from September 21, 2024 to September 27, 2024 (both days inclusive) for the purpose of 24<sup>th</sup> AGM of the Company.
5. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting is annexed.
6. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on September 20, 2024 being Cut-off Date.
7. The facility of joining the 24<sup>th</sup> AGM through VC/ OAVM will be opened 30 minutes before and will remain open up to 15 minutes after the scheduled start time of the 24<sup>th</sup> AGM and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc.
8. Institutional investors, who are members of the Company, are encouraged to attend and vote at the 24<sup>th</sup> AGM of the Company.
9. In compliance with the aforesaid MCA Circulars and SEBI Circulars, notice of the 24<sup>th</sup> AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for FY 2023 - 24 will also be available on the Company's website (<https://www.sepc.in/investors-annual-report.aspx>), website of the Stock Exchanges and E-voting agency i.e. BSE Limited ([www.bseindia.com](http://www.bseindia.com)), National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and CDSL ([www.evotingindia.com](http://www.evotingindia.com)).
10. Further, those Members who have not registered their email addresses may temporarily get themselves registered with Company's Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Limited ("RTA") by clicking the link: <https://investors.cameoindia.com> for receiving the Annual Report for FY 2023-24 also containing Notice of the AGM.
11. The register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection in electronic mode. Members can send an email to [tsr@sepc.in](mailto:tsr@sepc.in) for this purpose.
12. Members are requested to address all the correspondences, to the Registrar and Share Transfer Agents, M/s. Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai 600002.
13. Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members holding shares in electronic mode who have not got their e-mail addresses updated with the DP are requested to update their e-mail address and any changes therein. Members holding shares in physical mode are requested to update their e-mail address/mobile number, quoting their folio number, to our Registrar and Share Transfer Agent, viz., M/s. Cameo Corporate Services Limited, in the URL <https://investors.cameoindia.com> or by writing to them at "Subramanian Building" No.1, Club House Road, Chennai 600002, India, or by e-mail to [investor@cameoindia.com](mailto:investor@cameoindia.com).
14. The Attendance of the members through VC or OVAM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. For the purpose of dispatch of this Notice, Shareholders of the Company holding shares either in physical form or in dematerialized form as on August 30, 2024 have been considered.

#### **E-Voting:**

Pursuant to Section 108 of the Companies Act, 2013 read along with Rule 20 of Companies (Management and Administration) Rules, 2014 read along with Regulation 44 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and the aforesaid MCA Circulars, the Company shall provide the facility of remote e-Voting through electronic means to its members in respect of all items of business to be transacted at the Annual General Meeting of the Company.

To ensure compliance with the aforesaid Acts, Regulations and circulars, the company has appointed Central Depository Services Limited as the authorized e-voting agency facilitating the process of e-Voting.

The Board of Directors has appointed M. Alagar & Associates as the Scrutinizer to scrutinize the e-Voting process via remote e-Voting and e-Voting at the 24<sup>th</sup> AGM in a fair and transparent manner and she/he has consented to act as scrutinizer.

#### **THE INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The remote e-Voting period begins on **September 24, 2024 at 09.00 A.M.** and ends on **September 26, 2024 at 05.00 p.m.** During this period, Members holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., September 20, 2024 may cast their vote electronically. The remote e-Voting module shall be disabled by CDSL for voting thereafter.
- (ii) After dispatch of the notice, any person who acquires shares of the Company and becomes member of the



Company as on the cut-off date i.e. September 20, 2024 may obtain the login ID and password by sending an email to investor@cameoindia.com or tsr@sepc.in or helpdesk.evoting@cdslindia.com by mentioning their Folio No./DPID and Client ID No. However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password forecasting your vote.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' Resolution. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. There are also multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India which necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

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

Type of shareholders	Login Method
	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile.</p> <p>Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password / OTP received in registered mobile &amp; email and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
Individual Shareholders holding securities in demat mode login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period.

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

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

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

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

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

- (g) After entering these details appropriately, click on "SUBMIT" tab.
- (h) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (i) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- (j) Click on the relevant Company name i.e. SEPC Limited on which you choose to vote.
- (k) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (l) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- (m) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (o) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (p) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (q) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (vi) Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.
- a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- c) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- d) The list of accounts linked in the login will be mapped automatically and can be delink in case of any wrong mapping.
- e) It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively, non-individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who is authorized to vote, to the Scrutinizer ([alagarcs@gmail.com](mailto:alagarcs@gmail.com)) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case of any difficulty in voting, the Shareholder may contact the Company Secretary and Compliance Officer by sending the email to [tsr@sepc.in](mailto:tsr@sepc.in).

**Instructions for shareholders attending the AGM through VC / OAVM & E-Voting during meeting are as under:**

1. The procedure for attending meetings & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting. Shareholders can join the AGM in the VC/OAVM mode 30 minutes before and 15 Minutes after the scheduled time of the commencement of the meeting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due

to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. **Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 03 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [tsepc@sepc.in](mailto:tsepc@sepc.in).** The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **03 days prior to meeting** mentioning their name, demat account number/ folio number, email id, mobile number at [tsepc@sepc.in](mailto:tsepc@sepc.in). These queries will be replied to by the company suitably by email.
8. **Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.**
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned

copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. **For individual demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting through depository.**

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk. [evoting@cdslindia.com](mailto:evoting@cdslindia.com) or contact at toll free No.: 1800 22 55 33.

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

By order of the Board  
For **SEPC Limited**

**Place:** Chennai  
**Date:** August 14, 2024

**T. Sriraman**  
Company Secretary

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

The following explanatory statements sets out all material facts relating to the special businesses mentioned in the accompanying notice and shall be taken as forming part of the Notice.

### **Item No. 3: Ratification of remuneration of Cost Auditor for the financial year ending March 31, 2025.**

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of Company.

On the recommendation of the Audit Committee, the Board at its meeting dated May 28, 2024 has appointed GSVK & Co., Cost Accountants, Firm Registration No. 002371, as Cost Auditors to conduct the audit of cost accounting records of the company for the financial year 2024- 25 at a remuneration of ₹ 60,000/- (Rupees Sixty Thousand only) exclusive of taxes as may be applicable and payment of such out of pocket expenses as may be mutually agreed payable to the cost auditor.

As per the provisions of Section 148 of the Companies Act, 2013 and Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors,

has to be ratified by the members of the Company by way of an ordinary resolution.

Accordingly, the consent of the members of the company is sought by way of an ordinary resolution to ratify the remuneration payable to the Cost Auditors of the company for the financial year 2024-25.

### **Memorandum of Interest**

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

In compliance with Regulation 17(11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board recommends the passing of the resolution set forth in Item no. 3 of the Notice

By order of the Board  
for **SEPC Limited**

**Place:** Chennai  
**Date:** August 14, 2024

**T. Sriraman**  
Company Secretary

### Annexure to the Explanatory Statement

**Information in respect of item numbered 2 of the notice in accordance with Regulation 36(3) of the Sebi (LODR) Regulations, 2015 and Secretarial Standards-2 (SS-2) issued by the Institute of Company Secretaries of India about the Director seeking re-appointment in this annual general meeting are furnished hereunder.**

S. No	Particulars	Details
1.	Name of the Director	Mr. N K Suryanarayanan
2.	DIN	01714066
3.	Age	66 Years
4.	Qualifications	B.E[Mech] Honors and Diploma in Management
5.	Experience	44 Years
6.	Nature of Expertise in specific functional areas	He got training in US and Belgium. His focus area has been Industrial EPC business. His last assignment was as Director and CEO of Hamon Group in India for their Cooling System.
7.	Date of first appointment on the Board	June 24, 2022
8.	Shareholding in the company	Nil
9.	Relationship with other Directors, Manager and other Key Managerial Personnel of the company.	Mr. N K Suryanarayanan is not related to promoters and directors in the company.
10.	Number of Meetings of the Board attended during the year.	Refer Corporate Governance Section of this Annual Report
11.	Other Directorships, Membership/ Chairmanship of Committees of other Boards.	
12.	Names of the Listed entities from which he resigned in the past three years.	Nil
13.	Details of Remuneration proposed to be paid.	The proposed re-appointee draws remuneration from the company in his capacity as a Managing Director & CEO. The company does not propose to pay any remuneration to him in his capacity as a director.
14.	Details of last drawn remuneration.	The proposed re-appointee draws remuneration from the company in his capacity as a Managing Director and CEO and not in his capacity as a Director.



## Directors' Report

Dear Shareholder,

Your Directors present the Twenty Fourth Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31<sup>st</sup> March, 2024.

### FINANCIAL RESULTS (₹ in Lakhs)

Particulars	Consolidated (12 months)		Standalone (12 months)	
	2023-24	2022-23	2023-24	2022-23
Total Income	60,721.48	39,887.81	60,655.92	39,093.96
Profit before Interest, Depreciation, tax and extra-ordinary items	7,248.83	(4629.08)	7,236.86	(5,271.94)
Interest & depreciation	4,970.47	6,654.48	4,969.73	6,653.48
Profit before tax & before extra-ordinary items	2278.36	(11,283.56)	2,267.13	(11,925.42)
Provision for taxation	0	3,021.95	0	3,021.95
Profit after tax & extra-ordinary items	2278.36	(490.38)	2,267.13	(1,132.24)
Balance brought forward from last year	(215,595.88)	(215,105.50)	(215,649.27)	(214,517.03)
Profit available for appropriation	2,278.36	(490.38)	2,267.13	(1,132.24)
Transfer to general reserves	0	0	0	0
Surplus carried forward	(213,317.52)	(215,595.88)	(213,382.14)	(215,649.27)

### OPERATING RESULTS & PERFORMANCE

During the financial year ended March 31, 2024 the company had recorded a total income at ₹ 606.56 Crs as against ₹ 390.94 Crores in the previous year on a standalone basis. Profit was at ₹ 22.67 Crs as against a (loss) of 11.32 Crores during the corresponding period.

### BUSINESS HIGHLIGHTS

Your Directors are pleased to state that during the year, your company has signed share purchase agreement through the WOS Ms Shriram EPC FZE, for acquisition of 75% stake in ALMOAYYED Electrical Equipment & Instrumentation Systems LLC (AEEIS).

During the year Company has won an order for ₹ 427.79 Crores and the Company's order book stood at ₹ 955 Crores as on 31<sup>st</sup> Mar 2024.

### BUSINESS RISK MANAGEMENT

Pursuant to the requirement of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Business Risk Management Committee. The details of Committee and its terms of

reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate, treat and Report business risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as well as business segments and its mitigation plans.

The business risks identified by the Company and its mitigation plans are as under:

#### Project Risks:

In the context of the projects being executed, the Company reviews the risks associated with a project in all the following aspects, but not restricted to:

- Client related details such as financial closure of the project, credit worthiness and reputation of the client before even signing of the contract.
- Estimation risk like price and quantity variances, contingency provision, forex fluctuation on a periodic basis.
- Commercial risks like taxes and duties, payment terms, bank guarantee requirements
- Organisational risks like availability of technical and managerial resources, gap funding needs, consortium partner's roles and responsibilities.
- Performance risk like achievability of guarantee parameters, time schedule, warranty and defect liability obligations.
- Interfacing risks like coordination with multiple agencies for approvals and clearance
- Geographic risks like unfavorable weather conditions, earth quake floods etc.

The above key risks are closely tracked for timely mitigation.

#### Competition Risks:

The Infrastructure Industry is intensely competitive. To mitigate this risk, the company is leveraging on its expertise, experience to increase market share, enhance brand equity / visibility and enlarge product portfolio and service offerings.



### Occupational Health & Safety (OHS) Risks:

Safety of employees and workers is of utmost importance to the company. To reinforce the safety culture in the company, it has identified occupational health & safety as one of its focus areas. Various training programmes have been conducted at the sites such as behaviour based safety training program, visible safety leadership program, logistics safety program etc.

### FOREIGN EXCHANGE AND COMMODITY PRICE RISKS

The businesses of the Company are exposed to fluctuations in foreign exchange rates and commodity prices. Additionally, it has exposures to foreign currency denominated financial assets and liabilities. The business related financial risks, especially involving commodity prices, by and large, are managed contractually through price variation clauses, while the foreign exchange rate risks and residual commodity price risks are managed by treasury products. Financial risk management is governed by the Risk Management framework and policy approved by the Audit Committee and authorised by the Board. Financial risks in each business portfolio are measured and managed by corporate treasury. Despite currency weakness and elevated financial market volatility, the Company's robust financial risk management processes ensured financial costs remain under control.

### BUSINESS OVERVIEW

Your Company operates in the turnkey contracts business. The turnkey contracts business covers engineering, procurement and construction projects. Major areas of operation include Municipal services projects like water and wastewater treatment plants and infrastructure, Roads, metallurgical and process plant projects

### SUBSIDIARY

#### SHRIRAM EPC FZE, SHARJAH

The Company's Wholly owned Subsidiary(WOS) has received the Notice to commence work on Construction of Cement Project at a total project cost in excess of USD 325 Million (equivalent to in excess of Rs 2,700 Cr at current Exchange Rate) from M/s JV OHONGORON CEMENT MS LLC at Tashkent, Republic of Uzbekistan.

Further, WOS had successfully concluded the execution of Share Purchase Agreement for the acquisition of 75% of ALMOAYYED Electrical Equipment & Instrumentation Systems LLC (AEEIS) Abu Dhabi, UAE. And had initiated the process of the name change of the company with the Department of Economic Development of Abu Dhabi Government and the New name submitted is SEPC Middle East Engineering & Construction LLC and this should help in obtaining projects from the GCC Countries.

Form AOC-1 in the specified format is enclosed as Annexure – I.

### SHRIRAM EPC ARKAN LLC

With the completion of the MISCO project, the Company's step down subsidiary Shriram EPC Arkan LLC (70 % subsidiary of SEPC FZE Sharjah) has downsized its operations while looking for further opportunities in the region.

### SEPC ARABIA LIMITED COMPANY

The above Company registered in Saudi Arabia and awaiting investment by the Company.

### DIVIDEND

Since the Company has carried forward losses, the Board has decided not to recommend a Dividend.

### SHARE CAPITAL

The authorized and paid-up capital of your Company is ₹1750 Crores and ₹ 1409.81 Crores respectively.

The shareholding pattern as on 31<sup>st</sup> March 2024 is as under:

S.No	Shareholders	% holding
1.	Mark AB Capital Investment LLC	24.83
2.	Mark AB Welfare trust	2.14
3.	Bankers	25.16
4.	Public & Others	47.88

The total net worth of the Company as at 31<sup>st</sup> March, 2024 on Standalone basis was ₹1207.39 Cr

### RIGHTS ISSUE

During the year, on 21<sup>st</sup> August 2023, the Board of Directors approved raising funds for the Company by way of issue of securities (the "Issue") to the existing equity shareholders of the Company on a rights basis aggregating up to ₹ 4,900 Lakhs. Subsequently on 16<sup>th</sup> November, 2023, the Rights Issue committee of the Board of Directors decided to Issue 1 (one) Rights Equity Shares for every 36 (Thirty Six) fully paid equity shares aggregating to 3,83,84,615 equity shares (the "Issue") of face value of ₹10 each for cash at a price of ₹13/- (including a share premium of ₹ 3/- ) per equity share ("Rights Equity Shares") for an amount aggregating to ₹4,900 Lakhs on a rights basis to the Eligible Equity Shareholders of the Company as on the record date of 28<sup>th</sup> November 2023.

The Issue was opened for the Eligible Equity Shareholders from Wednesday, December 06, 2023 to Monday, December 18, 2023 and the basis of allotment was approved by BSE Limited on December 22, 2023, being the designated Stock Exchange. The Rights Issue committee of the Board allotted 3,83,84,615 equity shares on December 22, 2023 to the Shareholders of the Company as on the record date fixed for the purpose of Rights Issue and further obtained the listing approvals from BSE Limited and National Stock Exchange of India Limited on 27<sup>th</sup> and 28<sup>th</sup> December 2023 respectively.

Also, During the year, on 29<sup>th</sup> January 2024, the Board of Directors approved raising funds for the Company by way of issue of securities (the "Issue") to the existing equity shareholders of the Company on a rights basis aggregating up to ₹ 2,500 Lakhs. Subsequently on 17<sup>th</sup> April 2024, the Rights Issue committee of the Board of Directors decided to reduce the Size of the Issue as Rs.2,000 Lakhs and on the 19<sup>th</sup> of June 2024, the said Committee had approved Terms of Issue - to Issue 6 (six) Rights Equity Shares for every 55 (Fifty Five) fully paid equity shares aggregating to 15,38,46,153 equity shares (the "Issue") of face value of ₹10 each for cash at a price of ₹13/- (including a share premium of ₹ 3/- ) per equity share ("Rights Equity Shares") for an amount aggregating to ₹2,000 Lakhs on a rights basis to the Eligible Equity Shareholders of the Company as on the record date of 25<sup>th</sup> June 2024.

The Issue was opened for the Eligible Equity Shareholders from July 05, 2024, to 19<sup>th</sup> July 2024 and the basis of allotment was approved by BSE Limited on December 22, 2023, being the designated Stock Exchange. The Rights Issue committee of the Board allotted 15,38,46,153 equity shares on 24<sup>th</sup> July, 2024 to the Shareholders of the Company as on the record date fixed for the purpose of Rights Issue and further obtained the listing approvals from BSE Limited and National Stock Exchange of India Limited on 25<sup>th</sup> and 26<sup>th</sup> July 2024 respectively.

#### **DETAILS OF DEPOSITS**

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

#### **SIGNIFICANT AND MATERIAL ORDERS**

Work Order was received by Shriram EPC FZE, a wholly owned subsidiary of SEPC limited for Design, Engineering, Procurement, Supply, Erection, Commissioning and performance testing of Artificial Intelligence Centre called "Experience Centre" in Dubai, UAE and the value of the contract is AED 20,050,000 (AED Twenty Million Fifty Thousand Only) to be completed within a period of 9 months from the date of signing of contract.

Our bid dated 17.07.2023 has been accepted by Drinking Water and Sanitation Department of Government of Jharkhand for a contract price of ₹ 427,79,17,280.00/- (Four Hundred and Twenty-Seven Crores and Seventy-Nine Lakhs Seventeen Thousand and Two Eighty Only) vide their Letter of Acceptance dt.29-11-2023 soft copy received by us today, the 04<sup>th</sup> of December, 2023.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

#### **DISCLOSURE REQUIREMENTS**

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis Report, the Business Responsibility and Sustainability Report ("BRSR") form part of the Director's Report.

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

All transactions with related parties were on arm's length basis and in the ordinary course of business. Form AOC-2 as required under Section 134 (3) (h) of the Act is enclosed to this report.

#### **CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of business of the company, during the financial year 2023-24.

#### **DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

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

#### **APPOINTMENT OF DIRECTORS**

During the year, the appointment of Mr. Rajesh Kumar Bansal as Additional (Independent) Director for a period of five (5) years w.e.f 18-01-2023 to 17-01-2028 and appointment of Ms. Gayathri Sundaram as Additional (Independent) Director for a period of five (5) years w.e.f 30-01-2023 to 29-01-2028 w.e.f 12<sup>th</sup> April, 2023, was approved by the shareholders vide Postal Ballot held on 12<sup>th</sup> April, 2023.

Apart from the above, there was no change in the Directors and Key Managerial Personnel of the company during the year under review.

Mr N.K Suryanarayanan (DIN: 01714066) retires by rotation pursuant to Section 152(6) of the Companies Act, 2013 and Article 17.26 of the Articles of Association of the Company at the forth coming Annual General Meeting and being eligible offers himself for re-appointment. In terms of Secretarial Standards on General Meetings (SS-2), the necessary resolution for the re-appointment of N.K Suryanarayanan (DIN: 01714066) as a Director of the Company is included in the Notice sent along with the annual report.

## EVALUATION OF BOARD'S PERFORMANCE

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

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (Act) read along with Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming compliance with the criteria of Independence laid down in Section 149(6) of the Act read along with Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

During the period under review, the Independent directors of the company met on January 29, 2024 without the presence of non-independent directors and members of the Management to evaluate the performance of Non-Independent Directors and the Board as a whole.

## REMUNERATION POLICY

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

Remuneration Policy are stated in the Corporate Governance Report.

## NUMBER OF MEETINGS OF THE BOARD

During the year 2023-24, 7(seven) meetings of the Board of Directors, were held on 25<sup>th</sup> May, 2023, 10<sup>th</sup> August, 2023, 21<sup>st</sup> August, 2023, 11<sup>th</sup> September, 2023, 9<sup>th</sup> November, 2023, 29<sup>th</sup> January, 2024 and 13<sup>th</sup> February, 2024.

The Audit Committee had met on 25<sup>th</sup> May, 2023, 10<sup>th</sup> August, 2023, 12<sup>th</sup> October, 2023, 9<sup>th</sup> November 2023, 29<sup>th</sup> January, 2024, 13<sup>th</sup> February, 2024. The details of the said meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. that in the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b. that the directors had selected such accounting policies as mentioned in Note No: 2. of the Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2024 and of the profit and loss of the Company for the year ended on that date;
- c. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the directors had prepared the annual accounts on a going concern basis;
- e. that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the company.

None of the Directors had any pecuniary relationships or transactions vis-à-vis the Company other than sitting fees and reimbursement of expenses incurred, if any, for attending the Board meetings.

All related party transactions are placed before the audit committee for review and approval as per terms of the Policy for dealing with related parties. Prior omnibus approval of the audit committee is obtained for the transactions which are of a foreseen and repetitive nature. The policy on related party transactions as approved by the board is uploaded on the company's website at the following link: [https://www.sepc.in/pdf/RPT%20Policy\\_10.08.pdf](https://www.sepc.in/pdf/RPT%20Policy_10.08.pdf)

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

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

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

#### **BOARDS RESPONSE TO THE QUALIFICATIONS OF STATUTORY AUDITORS**

#### **STATUTORY AUDITORS REMARKS**

##### **Management Response -1**

The Company has business losses which are allowed to be carried forward and set off against available future taxable profits under the Income Tax Act, 1961, in respect of which the Company has created Deferred Tax Assets ("DTA"). The Company has recognised DTA on the carry forward unabsorbed business losses only to the extent of Rs.88,343.94 lakhs (March 31, 2023: Rs.1,11,216.10 lakhs) out of the total carry forward unabsorbed business losses of Rs.1,04,486.51 lakhs that was available as at March 31, 2024 (March 31, 2023: Rs.1,37,510.14 lakhs). The DTA amount recognised by the Company on these carry forward unabsorbed business losses amounts to Rs. 30,870.91 lakhs as at March 31, 2024 (March 31, 2023 - Rs. 33,289.92 lakhs). Considering the potential order book as on date, the expected reduction in finance cost in the light of implementation of resolution plan with its lenders, the current projects in the pipeline and a positive future outlook for the Company, the management of the Company is confident of generating sufficient taxable profits in the future and adjust them against these unabsorbed business losses, and accordingly, the entire DTA can be utilised before the expiry of the period for which this benefit is available.

##### **Management Response -2.**

Non-Current Contract Assets include overdue balances of Rs. 6,959.44 lakhs as at March 31, 2024 (March 31,

2023 Rs. 7,351.90 lakhs), which are net of provisions of Rs. 926.98 lakhs as at March 31, 2024 (March 31, 2023: Rs 926.98 lakhs). The above amount pertain to projects which have been stalled due to delays in obtaining approvals from the regulatory authorities. One of the customers in the said projects is undergoing liquidation process, in respect of which the Company is confident of recovering the dues based on the realisability of the assets available with the said customer. Further, considering the ongoing negotiations with the customers, the management of the Company is confident of recovering both these dues in full.

The Secretarial Auditors' Report for the year 2023-2024 does not contain any qualification, reservation or adverse remark except for one observation as stated in their report. The Secretarial Auditors' Report is enclosed as Annexure to the Board's report.

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

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

- The Rights Issue was opened for the Eligible Equity Shareholders from Wednesday, December 06, 2023 to Monday, December 18, 2023
- The basis of allotment was approved by BSE Limited on December 22, 2023, being the designated Stock Exchange.
- The Rights Issue committee of the Board allotted 3,83,84,615 Rights equity shares on December 22, 2023 to the Shareholders of the Company as on the record date fixed for the purpose of Rights Issue.
- The listing approvals from BSE Limited and National Stock Exchange of India Limited on December 27, 2023 and December 28, 2023 respectively for the aforesaid Rights Issue.

### **COMPOSITION OF AUDIT COMMITTEE**

Pursuant to Section 177 of the Companies Act, 2013, during the year, the Audit Committee was not reconstituted by the Board of Directors and the Committee has the following members:

Dr. R Ravichandran	-	Chairman
Dr. Arun Kumar Gopaldaswamy	-	Member
Mr. N K Suryanarayanan	-	Member

The Board has accepted the recommendations of the Audit Committee and there were no incidences of deviation from such recommendations during the financial year under review.



During the year, the Audit Committee had met Six (06) times on 25<sup>th</sup> May, 2023, 10<sup>th</sup> August, 2023, 12<sup>th</sup> October, 2023, 9<sup>th</sup> November 2023, 29<sup>th</sup> January, 2024, 13<sup>th</sup> February, 2024.

### WHISTLE BLOWER POLICY (VIGIL MECHANISM)

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

### NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of the Companies Act, 2013, during the year, the Committee was not reconstituted by the Board of Directors and the Committee has the following members:

Dr. R Ravichandran	-	Chairman
Dr. Arun Kumar Gopaldaswamy	-	Member
Mr. N K Suryanarayanan	-	Member

During the year, two meetings of Nomination and Remuneration Committee were held on 25<sup>th</sup> May, 2023 and 10<sup>th</sup> August, 2023. The said committee has been empowered and authorized to exercise powers as entrusted under the provisions of Section 178 of the Companies Act, 2013. The Company had laid out the policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub section 3 of Section 178 of the Companies Act, 2013. Policy on Criteria for Board Nomination and Remuneration is available in the website of the Company under the link <http://www.sepc.in/pdf/Criteria-for-Board-Nomination.pdf>.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is carrying accumulated losses for the last 4 years. However, the Corporate Social Responsibility Committee was formed\* based on the net worth of the Company as per the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

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

### AUDITORS

M/s. MSKA & Associates, Chartered Accountants (Regn. No. 105047W) had been appointed as Statutory Auditors of the

Company as per Section 139 of the Companies Act, 2013 for a period of 5 years from the conclusion of Seventeenth Annual General Meeting till the conclusion of Twenty-second Annual General Meeting, by the members at the Annual General Meeting held on August 24, 2017.

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

### COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 (Act) read with Companies (Cost Records and Audit) Rules, 2014, (Rules) the Company is required to maintain cost accounting records. Further, the cost accounting records maintained by the Company are required to be audited. M/s GSVK & Co., Cost Accountants (Registration No. of the Firm is 002371) was appointed as Cost Auditor of the company for the financial year 2024-25 to conduct the audit of the Cost Records maintained by the company pursuant to the Act, on recommendation of the Audit Committee, for a remuneration of Rs. 60000/- plus applicable taxes and payment of such out of pocket expenses as approved by the Board of Directors of the Company. In terms of the Act and Rule 14 of Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for their ratification.

### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Mr. M. Alagar of M/s. M. Alagar & Associates, Chennai, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is forming part of this Annual Report.

### SECRETARIAL STANDARDS

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

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### CORPORATE GOVERNANCE

All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as

prescribed under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of the Listing Regulations. In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Report on Corporate Governance along with a Certificate from the Practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Part E of Schedule V of Sub-Regulation 34(3) of the Listing Regulations is attached to this report.

### PROTECTION OF WOMEN AT WORK PLACE

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

The following is the summary of sexual harassment complaints during the year 2023-24.

No. of complaints received – Nil

No. of complaints disposed off– Not Applicable

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

#### (I) Conservation of energy:

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

#### (II) Technology absorption-

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

Earnings in Foreign Currency: ₹ **4,061.37 Lakhs**

Expenditure in Foreign Currency: ₹ **4,120.69 Lakhs**

Professional & Consultancy Fees	2.93
Material Consumed Erection, Construction & Operation Expenses	722.77
Travelling & Conveyance	0.39
Erection ,Construction & Operation Expenses	3,388.78
Others	5.82
<b>Total</b>	<b>4,120.69</b>

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY

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

### ANNUAL RETURN

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

### PARTICULARS OF EMPLOYEES

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

### DISCLOSURE REQUIREMENTS

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

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

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

### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with Section 129(3) of the Companies Act, 2013 and relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report. Further, a statement containing the salient features of the financial statement of the subsidiary in the prescribed format AOC-1 is appended to the Directors Report. The statement also provides the details of performance and financial position of the subsidiaries.

### OTHER CONFIRMATIONS

No application under the Insolvency and Bankruptcy Code, 2016 (IBC) was made on the Company during the year. Further, no proceeding under the IBC was initiated or is pending

as at 31<sup>st</sup> March, 2024. There was no instance of one time settlement with any Bank or Financial Institution.

### **APPRECIATION & ACKNOWLEDGEMENTS**

The Directors wish to thank the bankers for their continued assistance and support. The Directors also wish to thank the Shareholders of the company for their continued support even during these testing period. Further, the Directors also wish to thank the customers and suppliers for their continued cooperation and support. The Directors further wishes to

place on record their appreciation to all employees at all levels for their commitment and their contribution.

For and on behalf of the Board

**Mr. Abdulla Mohammad Ibrahim Hassan Abdulla**

August 14, 2024  
Chennai

(DIN.09436100)  
Chairman



## Form No. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries associate companies joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary is presented with amounts in ₹ lakhs)

S. No.	Particulars	Details
1.	Name of the subsidiary	<b>SHRIRAM EPC FZE</b>
2.	The date since when subsidiary was acquired	23.05.2013
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	31.03.2024
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	<b>AED</b>
5.	Share capital	34.05
6.	Reserves and surplus	77.81
7.	Total assets	15,851.44
8.	Total Liabilities	15,740
9.	Investments	0
10.	Turnover	65.56
11.	Profit before taxation	10.73
12.	Provision for taxation	0
13.	Profit after taxation	10.73
14.	Proposed Dividend	0
15.	Extent of shareholding (in percentage)	100%

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

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

#### Part B Associates and Joint Ventures

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

Name of Associates or Joint Ventures	SEPC DRS ITPL JV	SEPC Eurotech Environmental Pvt Ltd -JV	Mokul SEPC JV	Larsen & Toubro Limited Shriram EPC JV
1. Latest audited Balance Sheet Date	31.03.2024	31.03.2024	31.03.2024	31.03.2024
2. Date on which the Associate or Joint Venture was associated or acquired	11.01.2017	08.12.2015	21.12.2011	10.04.2018

Name of Associates or Joint Ventures	SEPC DRS ITPL JV	SEPC Eurotech Environmental Pvt Ltd -JV	Mokul SEPC JV	Larsen & Toubro Limited Shriram EPC JV
3. Shares of Associate or Joint Ventures held by the company on the year end:				
(i) amount of Investment in Associates or Joint Venture	Nil	Nil	Nil	Nil
(ii) extent of Holding (in percentage)	100%	100%	50%	10%
4. Description of how there is significant influence	Exercise of Significant control over the project	Exercise of Significant control over the project	Exercise of Significant control over the project	Exercise of Significant control over the project
5. Reason why the associate/Joint venture is not consolidated.	NA	NA	NA	NA
6. Net worth attributable to shareholding as per latest audited Balance Sheet	29.20	43.77	(1,429.20)	₹ 417.06
7. Profit or Loss for the year	3.01	6.17	(7.07)	-
i. Considered in Consolidation	YES	YES	YES	YES
ii. Not Considered in Consolidation	NA	NA	NA	NA

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

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

**Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.**

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

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

## Form No. AOC-2

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

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

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

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

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

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

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

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

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

**Annexure to AOC-2**

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

**Entities exercising significant influence over the Company**

Mark AB Capital Investment LLC (Effective from 24<sup>th</sup> September 2022)

SVL limited (upto 23<sup>rd</sup> September 2022)

**Subsidiary**

Shriram EPC FZE, Sharjah

**Step Down Subsidiary**

Shriram EPC Arkan LLC

**Subsidiary of Entities exercising significant influence over the Company**

Mark AB Capital Investment India Private Limited(Effective from 24<sup>th</sup> September 2022)

**Key management personnel**

N K Suryanarayanan- Managing Director( effective from 24<sup>th</sup> September 2022)

Mr. R S Chandrasekharan- Chief Financial Officer

Mr. T.Sriraman- Company Secretary

**Joint Operations**

Larsen & Toubro Limited Shriram EPC JV

Mokul Shriram EPC JV

Shriram EPC Eurotech Environmental Pvt Ltd - JV

SEPC DRS ITPL JV

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

(i)	Entites exercising significant influence over the Company	2023-24	2022-23
	<b>Mark AB Capital Investment LLC (effective from 24<sup>th</sup> September 2022)</b>		
	Amount invested as Equity	-	35,000.00
	<b>SVL Ltd (upto 23<sup>rd</sup> September 2022)</b>		
	Transfer of Advances / Receivables	-	7,433.87
(ii)	<b>Subsidiary of Entites exercising significant influence over the Company( Effective from 24<sup>th</sup> September 2022)</b>		
	MARK AB Capital Investment India Private Limited( Effective from 24 <sup>th</sup> September 2022)		
	Funds Received	4,000.00	900.00

(i)	<b>Entites exercising significant influence over the Company</b>	<b>2023-24</b>	<b>2022-23</b>
(iii)	<b>Subsidiary</b>		
	Shriram EPC FZE, Sharjah		
	Funds Received	-	700.00
(iv)	<b>Key Management Personnel (KMP)</b>		
	Compensation of key management personnel #	161.61	318.12
	Loan given to key management personnel	35.00	-
	# Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.		
(v)	Sitting fees paid to Independent & Non executive Directors	12.15	11.70
(vi)	<b>Joint Operations</b>		
	<b>(a) Larsen &amp; Toubro Limited Shriram EPC JV</b>		
	Company's share in Loss of Integrated Joint Ventures	-	10.36
	<b>(b) Shriram EPC Eurotech Environmental Pvt Ltd – JV</b>		
	Progressive Billings/ Revenue	34.13	121.00
	<b>(c) SEPC DRS ITPL JV</b>		
	Progressive Billings/ Revenue	301.35	102.00
	All transactions with related parties are conducted at arm's length price under normal terms of business and all amounts outstanding are unsecured and will be settled in cash.		
(C)	<b>Amount due (to)/from related party as on:</b>		
(i)	<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>Borrowings:</b>		
	MARK AB Capital Investment India Private Limited (Effective from 24 <sup>th</sup> September 2022)	4,900.00	900.00
	<b>Payables:</b>		
	Larsen & Toubro Limited Shriram EPC JV	0.09	0.90
	<b>Receivables:</b>		
	Shriram EPC FZE, Sharjah	1,532.97	1,534.82
	Mokul Shriram EPC JV	1,675.67	1,669.28

## Form No. MR-3 Secretarial Audit Report

**For the Financial Year Ended March 31, 2024**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To  
The Members,  
SEPC LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SEPC Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period covering the **financial year ended March 31, 2024 ("Audit Period")** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2024 according to the provisions of:

- a) The Companies Act, 2013 (the 'Act') & the Rules made thereunder, including Secretarial Standards issued by Institute of Company Secretaries of India ('ICSI') and notified as on date;
- b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d) Foreign Exchange Management Act, 1999 and the Rules, Regulations, notifications and circulars made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (iv) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (v) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client.
  - (vi) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(there were no events requiring compliance during the Audit Period)**
  - (vii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(there were no events requiring compliance during the Audit Period)**
  - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(there were no events requiring compliance during the Audit Period)**
  - (ix) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(there were no events requiring compliance during the Audit Period)**
- f) Based on the information received and representation made by the Company, we report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure Compliances with applicable laws, rules, regulations and guidelines including specific laws which are applicable to the Company as listed below.

1. The Contract Labour (Regulation and Abolition) Act, 1970
2. The Employees' Compensation Act, 1923
3. The Employees' Provident Funds & Miscellaneous Provisions Act, 1952
4. The Employees' State Insurance Act, 1948
5. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
6. The Equal Remuneration Act, 1976 and The Equal Remuneration Rules, 1976
7. The Industrial Disputes Act, 1947
8. The Maternity Benefit Act, 1961
9. The Minimum Wages Act, 1948
10. The Payment of Bonus Act, 1965
11. The Payment of Gratuity Act, 1972
12. The Payment of Wages Act, 1936
13. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
14. The Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act, 1981
15. The Tamil Nadu Labour Welfare Fund Act, 1972
16. The Tamil Nadu Payment of Subsistence Allowance Act, 1981
17. The Tamil Nadu Shops and Establishments Act, 1947
18. The Tamil Nadu Industrial Establishment (National, Festival and Special Holidays) Act, 1958
19. The Tamil Nadu Tax on Professions, Trades & Callings and Employments Act, 1992
20. Child Labour (Prohibition and Regulation) Act, 1986
21. The Building and Other Construction Workers Act, 1996
22. The Environment (Protection) Act, 1986
23. The Water (Prevention and Control of Pollution Act, 1974
24. Air (Prevention and Control of Pollution), Act, 1981

During the period under review, the Company has complied with applicable statutory provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or as the case may be, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously and there was no instance of dissent by any director during the period under review.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and guidelines.

**We further report that** during the audit period the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. –



- (i) During the year under review, the Rights Issue Committee of the company at its meeting dated May 04, 2023 has allotted 4,99,00,000 equity shares of face value Rs. 10 each at an issue price of Rs. 10 per share on a rights basis to the eligible applicants.
- (ii) During the year under review, the Company has issued 3,83,84,615 equity shares of face value Rs. 10 each at an issue price of Rs. 13 per share (including a share premium of Rs 3 per share) on a rights basis to the eligible applicants vide Board approval dated August 21, 2023 and the same was allotted by the Rights Issue Committee at its meeting dated December 22, 2023.
- (iii) During the year under review, the Company has altered its Memorandum of Association pursuant to increase in the Authorized Share Capital of the company from Rs. 1400,00,00,000/- (Rupees One Thousand Four Hundred Crores) to Rs. 1450,00,00,000/- (Rupees One Thousand Four Hundred and Fifty Crores) vide shareholders' approval in the Annual General Meeting dated September 21, 2023.
- (iv) During the year under review, the Board at its meeting dated January 29, 2024 has approved raising of funds by way of a rights issue amounting up to Rs. 250,00,00,000/- (Rupees Two Fifty Crores).
- (v) During the year under review, the Company has altered its Memorandum of Association pursuant to increase in the Authorized Share Capital of the company from Rs 1450,00,00,000/- (Rupees One Thousand Four Hundred and Fifty Crores) to 1750,00,00,000/- (Rupees One Thousand Seven Hundred and Fifty Crores )Vide shareholders' approval through Postal Ballot notice dated January 29, 2024
- (vi) During the audit period, we observed that one of the Designated Person of the company has traded in the shares of the Listed Entity while trading window was closed, executed contra trade and shares were traded without obtaining preclearance which is in violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Company's Code of Conduct to Regulate, Monitor and Report trading by designated persons. In relation to the same, the Board of directors in accordance with the Company's Code of Conduct to Regulate, Monitor and Report trading by designated persons had imposed a penalty of Rs 10,00,000 (Rs. Ten Lakhs only) to the designated person, who had remitted the same to SEBI administered Investor Protection and Education Fund and reported the aforesaid violation to the stock exchanges on September 16, 2023 in compliance with SEBI circular numbered SEBI/HO/ISD/ISD/CIR/P/20 dated July 23, 2020.

**For M/s. M. Alagar & Associates  
Practising Company Secretaries  
Peer Review Certificate No: 1707/2022**

**D. Saravanan  
Partner**

**Place: Chennai  
Date: August 27, 2024**

**ACS No: 60177/ CoP No: 22608  
UDIN: A060177F001056788**

This report is to be read with the Annexure which forms an integral part of this report.

**ANNEXURE- I**

To,  
**The Members,**  
**SEPC Limited**

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For M/s. M. Alagar & Associates**  
**Practising Company Secretaries**  
**Peer Review Certificate No: 1707/2022**

**D. Saravanan**  
**Partner**

**ACS No: 60177/ CoP No: 22608**  
**UDIN: A060177F001056788**

**Place: Chennai**  
**Date: August 27,2024**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Members  
**SEPC Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SEPC Limited having CIN: L74210TN2000PLC045167 having its registered office at 3rd Floor, BASCON FUTURA SV IT Park Venkatanarayana Road, Parthasarathy Puram, T. Nagar, Chennai - 600017 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal <http://www.mca.gov.in>) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.NO	NAME OF THE DIRECTOR	DIN	DESIGNATION	DATE OF APPOINTMENT
1.	Mr. Abdulla Mohammad Ibrahim Hassan Abdulla	09436100	Chairperson (Non-Executive - Non-Independent Director -	24.06.2022
2.	Mr. Nemmara Krishnan Suryanarayanan	01714066	Managing Director & CEO (Executive & Non- Independent)	24.06.2022
3.	Mr. Ravichandran Rajagopalan	01920603	Non-Executive -Independent Director	24.06.2022
4.	Mr. Arun Kumar Gopaldaswamy	07212557	Non-Executive -Independent Director	24.06.2022
5.	Mr. Rajesh Kumar Bansal	09634747	Non-Executive -Independent Director	18.01.2023
6.	Ms. Gayathri Sundaram	07342382	Non-Executive - Independent Director	30.01.2023

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

**For M. Alagar & Associates**  
**Practising Company Secretaries**  
**Peer Review Certificate No: 1707/2022**

**Place:** Chennai  
**Date:** August 26, 2024

**M. Alagar**  
**Managing Partner**  
**FCS No. 7488**  
**COP No. 8196**  
**UDIN: F007488F001047626**

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

(Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Members  
**SEPC Limited**

We have examined the compliance of conditions of Corporate Governance by **SEPC Limited**, for the year ended March 31, 2024 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

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

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the Management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI LODR.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For M. Alagar and Associates**  
**(Practicing Company Secretaries)**  
**Peer Review Certificate No:1707/2022**

**Place:** Chennai  
**Date:** August 26, 2024

**M. Alagar**  
**Managing Partner**  
**FCS No: 7488**  
**COP No: 8196**  
**UDIN: F007488F001047661**

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## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT.

I confirm that the Company has in respect of the financial year ended March 31, 2024, received from the senior management personnel of the Company and the Members of the Board, a declaration affirming compliance with the Code of Conduct as applicable to them.

**Place:** Chennai  
**Date:** August 14, 2024

**N.K. Suryanarayanan**  
**Managing Director & CEO**

## Corporate Governance Report

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

### Company's philosophy on Corporate Governance

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

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

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

The Company discloses information regarding its financial position, performance and other vital matters with transparency, fairness and accountability on timely basis and the Company is in compliance with the requirements stipulated under SEBI Listing Regulations with regard to the Corporate Governance, applicable for the financial year 2023 - 24. In compliance with the disclosure requirements of Regulation 34 of the SEBI Listing Regulations, the details are set out below:

### BOARD OF DIRECTORS

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

### Composition of Board

As on March 31, 2024, the Board comprises of six directors out of which one is an Executive Director (Managing Director & CEO), one is Non-Executive Non-Independent director representing the Promoter and four are Non-Executive Independent Directors (including one-woman Independent Director).

As on March 31, 2024 and as on date of this Report, the Company is in compliance with Regulations 17(1) (a) and 17(1) (b) of the SEBI Listing Regulations pertaining to composition of the Board of Directors. The Company is also in compliance with the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations.

The Board has an adequate composition enabling strategic discussions and availing the benefit of diverse experience and viewpoints. The Board comprises of qualified members to bring in the required skills, competence and expertise that allow them to make effective contributions to the board and its committees. As on March 31, 2024 composition of Board is as follows:

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

### Changes in Composition of Board during the year:

The Board, pursuant to the recommendations of Nomination and Remuneration Committee appointed Mr. Rajesh Kumar Bansal (DIN: 09634747) and Ms. S Gayathri (DIN: 07342382) as Additional (Independent) Directors with effect from January 18, 2023 and January 30, 2023 respectively, subject to the approval of Members of the company. Subsequently, the members of the company vide Postal Ballot notice dated February 09, 2023 approved their appointment on April 12, 2023 being the last date of voting.

### Key Managerial Personnel

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

**Attendance of the members in the Meetings of the Board:**

Members	No. of Meetings held	No. of Meetings Attended	Present at Previous AGM
Mr Abdulla Mohammad Ibrahim Hassan Abdulla.	7	1	No
Mr N K Suryanarayanan.	7	7	Yes
Dr. R Ravichandran.	7	7	Yes
Dr. Arun Kumar Gopaldaswamy.	7	7	Yes
Mr Rajesh Kumar Bansal.	7	6	Yes
Ms. Gayathri Sundaram.	7	7	No

**Details of the Board and committees of the other Companies (excluding this company) in which the directors of the company are members/ chairpersons.**

Name of Director	Category of Director.	Directorship including Private Limited Companies	Name of the listed entity and category of Directorship other than this company	Committees*	
				Member	Chairman
Mr Abdulla Mohammad Ibrahim Hassan Abdulla	Non-executive Non-Independent Director	2	-	0	0
Mr N K Suryanarayanan	Managing Director & CEO	0	-	0	0
Dr. R Ravichandran	Independent Director	2	-	2	1
Dr. Arun Kumar Gopaldaswamy	Independent Director	0	-	0	0
Mr Rajesh Kumar Bansal	Independent Director	1	-	1	1
Ms. Gayathri Sundaram	Independent Director	1	S & S Power Switchgear Limited – Independent Director	2	0

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

**Meeting of Board of Directors**

During the year 2023-24, the Board of Directors of the company met seven (7) times on May 25, 2023, August 10, 2023, August 21, 2023, September 11, 2023, November 09, 2023, January 29, 2024 and February 13, 2024.

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

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

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

**Familiarisation programme of Independent Directors.**

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

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

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

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

### Key Board qualifications, expertise and attributes

The Board members are committed in ensuring that the Board of Directors acts in compliance with the highest standard of Corporate Governance. In the table below the specific areas of focus or expertise of individual Board members have been

highlighted. In the absence of a mark against a member's name does not necessarily mean that the member does not possess the corresponding qualification or skill. A chart setting out the skills/expertise/competence of the Board of Directors is as follows:

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

### Declaration by Independent Directors

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

### Audit Committee

The Company complies with the requirements under Section 177 of the Companies Act, 2013 as well as the Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations, which provides for the constitution, roles, responsibilities of the Audit Committee. Its functioning is as under:

#### A. Composition of the Committee

The composition of the Audit Committee is as follows;

1. Dr. R Ravichandran, Non-Executive Independent Director – Chairman.
2. Dr. Arun Kumar Gopaldaswamy, Non-Executive Independent Director – Member.
3. Mr. N K Suryanarayanan, Managing director & CEO – Member.

#### B. Meeting of Audit Committee

During the year, the Audit Committee had met Six (6) times on May 25, 2023, August 10, 2023, October 12, 2023, November 09, 2023, January 29, 2024, February 13, 2024, and not more than one hundred and twenty days elapsed between two meetings.

#### C. The role of the Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of subsection 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report



5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Risk Management- To evaluate the Risk Management System including Risk Policy, Risk Process (Risk Identification, Assessment, Mitigation and Monitoring) and Risk Registers, laid down by the management;
19. To review the functioning of the Whistle Blower mechanism;
20. Approval of appointment of CFO (i.e., the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
22. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
23. Considering and commenting on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
24. Investigate any activity within its terms of reference.
25. To seek information from any employee.
26. To obtain outside legal or other professional advice.
27. To secure attendance of outsiders with relevant expertise, if it considers necessary
28. Management discussion and analysis of financial condition and results of operations;
29. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
30. Internal audit reports relating to internal control weaknesses; and
31. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
32. Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus notice in terms of Regulation 32(7).

**Number of meetings attended by the Members during the year are given below:**

Members	No. of Meetings held	No. of Meetings Attended
Dr. R Ravichandran – Chairman	6	6
Dr. Arun Kumar Gopaldaswamy – Member	6	6
Mr N K Suryanarayanan – Member	6	6

**Nomination and Remuneration Committee**

**A. Constitution**

The Company complies with the requirements under Section 178 of the Companies Act, 2013 as well as the Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, which provides for the constitution, roles, responsibilities of the Nomination and Remuneration Committee. Its functioning is as under:

**(B) Composition:**

The composition of the Nomination and Remuneration Committee is as follows;

1. Dr. R Ravichandran, Non-Executive Independent Director – Chairman.
2. Dr. Arun Kumar Gopaldaswamy, Non-Executive Independent Director – Member.
3. Mr Abdulla Mohammad Ibrahim Hassan Abdulla, Non-Executive Non-Independent Director – Member.

**(C) Terms of reference**

Terms of reference of the Nomination and Remuneration Committee includes:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;

- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of Independent Directors and the Board;
  4. Devising a policy on Board diversity; and
  5. Identifying person who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
  6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
  7. Recommend to the board, all remuneration, in whatever form, payable to senior management.

**Meetings and attendance of the members during the year:**

During the year 2023-24, meetings of Nomination and Remuneration Committee were held on May 25, 2023, August 10, 2023, January 29, 2024.

Members	No. of meetings held	No. of Meetings attended
Dr. R Ravichandran – Chairman	3	3
Dr. Arun Kumar Gopaldaswamy – Member	3	3
Mr Abdulla Mohammad Ibrahim Hassan Abdulla – Member	3	0

The Chairperson of the committee was present at the Annual General Meeting of the company held on September 21, 2023.

**(D) Remuneration Policy:**

In line with the regulatory requirements and industry practises, the Board has devised a comprehensive Nomination and Remuneration Policy which provides for, among other things, remuneration payable to Directors, Key Managerial Personnel and Senior Management. This policy ensures equality, fairness and consistency in rewarding the aforesaid on the basis of performance against set key performance targets. The policy provides for remuneration which is a mix of fixed and variable pay. The variable pay is determined by business performance and the performance of the individuals measured against set key performance targets through the annual appraisal process.

The details of the Remuneration Policy are placed on the website of the Company at [https://www.sepc.in/pdf/Revised%20NRC%20Policy\\_28.05.2024.pdf](https://www.sepc.in/pdf/Revised%20NRC%20Policy_28.05.2024.pdf)

### (E) Performance evaluation of Independent Directors

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

#### Evaluation Process

In conformity with the requirement of the Act, the performance evaluation of all the Independent Directors has been done by the entire Board of Directors, excluding the director being evaluated. Further, Independent Directors are required to evaluate the performance of non – Independent Directors and Board as a whole and for that purpose, a separate meeting of the Independent Directors for the financial year 2023-24 was held on January 29, 2024. The Nomination and Remuneration Committee has developed a framework for evaluating Board's effectiveness and the performance of individual directors and the Chairperson.

#### Stakeholders Relationship Committee:

The Company complies with the requirements under Section 178 of the Companies Act, 2013 as well as the Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations, which provides for the constitution, roles, responsibilities of the Stakeholders Relationship Committee. Its functioning is as under;

#### (A) Composition:

The Composition of the Stakeholders Relationship Committee is as follows;

1. Dr. Arun Kumar Gopaldaswamy, Non-Executive Independent Director – Chairman
2. Dr. R Ravichandran, Non-Executive Independent Director - Member
3. Mr N K Suryanarayanan, Managing Director & CEO – Member

(B) Mr. T. Sriraman, Company Secretary has been designated as Compliance Officer of the Company.

#### (C) Meetings and attendance

During the year 2023-24, meetings of the Stakeholders Relationship Committee were held on May 25, 2023, August 10, 2023, November 09, 2023 and February 13, 2024.

Number of meetings attended by the Members of the committee during the year are given below:

Members	No. of Meetings held	No. of Meetings Attended
Dr. Arun Kumar Gopaldaswamy – Chairman	4	4
Dr. R Ravichandran – Member	4	4
Mr N K Suryanarayanan – Member	4	4

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

#### (D) Role of the Committee:

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

#### (E) Number of Complaints received, resolved and outstanding during the year 2023-24.

The company had received 7 complaints and the same were resolved during the year 2023-24. There were no complaints outstanding as at the end of the financial year.

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

#### Risk Management Committee:

The Company complies the requirements of Regulation 21 read with Part D of Schedule II of the SEBI Listing Regulations, which provides for the constitution, roles, responsibilities of the Risk Management Committee. Its functioning is as under;

**(A) Composition**

The composition of the Risk Management Committee is as follows;

1. Dr. Arun Kumar Gopaldaswamy, Non-Executive Independent Director - Chairman
2. Dr. R Ravichandran, Non-Executive Independent Director - Member
3. Mr N K Suryanarayanan, Managing Director & CEO – Member

**(B) Meetings and attendance:**

During the year, meetings of the Risk Management Committee were held on May 25, 2023 and November 09, 2023.

Number of meetings attended by the Members during the year are given below:

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

**(C) Role of the Committee:**

1. To formulate a detailed risk management policy which shall include:
  - (i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (ii) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (iii) Business continuity plan
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

**Rights Issue Committee**

**(A) Composition**

The composition of the Rights Issue Committee is as follows;

1. Mr. N.K Suryanarayanan, Managing Director & CEO – Chairman
2. Dr. R Ravichandran, Non-Executive Independent Director – Member
3. Dr. Arun Kumar Gopaldaswamy, Non- Executive Independent Director – Member

**(B) Meetings and attendance**

During the year, meetings of the Rights Issue Committee were held on May 02, 2023, October 12, 2023, October 13, 2023, November 16, 2023, November 23, 2023, December 22, 2023.

Members	No. of Meetings held	No. of Meetings Attended
Mr N K Suryanarayanan – Chairman	6	6
Dr. R Ravichandran – Member	6	6
Dr. Arun Kumar Gopaldaswamy – Member	6	6

**Senior Management:**

The following are the senior management personnel of the company and Mr. Sriram Raju, Executive Director (Corporate) resigned from the office with effect from February 01, 2024.

S. NO	Name of the Person	Designation
1.	Chandrasekharan Sivaprakasam Ramalingam	Chief Financial Officer
2.	Thiruppathy Sriraman	Company Secretary and Compliance officer
3.	Sriram Raju*	Executive Director (Corporate)
4.	Arivalagan Dakshnamoorthy	Director (Technical)

\*Resigned w.e.f 1<sup>st</sup> February, 2024

**PARTICULARS OF REMUNERATION**

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

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

Name of the person	Position	Ratio
Mr Abdulla Mohammad Ibrahim Hassan Abdulla	Non-Executive Non-Independent Director	--
Mr N K Suryanarayanan	Managing Director & CEO	15:1

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

Name of the person	Position	% increase in remuneration
Mr N K Suryanarayanan	Managing Director & CEO	NIL
Mr R.S. Chandrasekharan	Chief Financial Officer	9.8%
Mr T. Sriraman	Company Secretary and Compliance Officer	6%

- (c) The median remuneration of employees in the financial year 2023-24 was ₹ 5,27,184 as compared to ₹ 489,190 for 2022 - 23. The median remuneration of employees has increased by [20%].
- (d) the number of permanent employees on the rolls of company as on March 31, 2024 are 229
- (e) During the Financial year 2023-24, the average percentile increase in the salaries of Employees was 7.77% whereas the average percentile increase in the managerial remuneration was NIL
- (f) The Company affirms that the remuneration is in compliance with its Remuneration policy
- (g) Remuneration to Non-Executive Directors:

Remuneration by way of Sitting Fees is paid to Directors at ₹25,000/- for attending each Meeting of the Board and ₹ 15,000/- for attending each Committee Meetings i.e. for Audit Committee, Stakeholder's Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee and Rights Issue Committee.

**Payment of sitting fee to the Non-Executive Directors for the year ended March 31, 2024 is as under:**

Names of Directors	Sitting fees paid for Board and Committee Meetings (₹)	
	Board	Committee
Mr Abdulla Mohammad Ibrahim Hassan Abdulla	--	--

Names of Directors	Sitting fees paid for Board and Committee Meetings (₹)	
	Board	Committee
Dr. Ravichandran Rajagopalan	1,65,000	2,90,000
Dr. Arun Kumar Gopaldaswamy	1,65,000	2,90,000
Ms. Gayathri Sundaram	1,65,000	-
Mr Rajesh Kumar Bansal	1,40,000	-

- (i) There has been no pecuniary relationship or transactions other than above between the Non-Executive Directors and the Company during the year under review.
- (ii) Criteria of making payments to non-executive directors is disseminated on the website in <https://www.sepc.in/pdf/Policy-on-criteria-of-making-payments-to-Non-Executive-Directors.pdf>

#### (E) Remuneration to Executive Director

Mr. N K Suryanarayanan, Managing Director & CEO, the only executive director of the company draws the following as his remuneration;

Details of Remuneration	Amount (₹ in Lakhs)
Salary	6 Lakhs per month
Details of Fixed Component and performance linked incentives	8 lakhs per year
Allowances and Perquisites	1.95 lakhs per year
Number of Shares held	0
Number of Stock options issued	Nil

The agreement with the Managing Director and CEO has been entered into for a period of 3 years with effect from September 24, 2022. Further, either party to the agreement is entitled to terminate the agreement by giving not less than [3 Months] Notice in writing to the other party. The Managing Director & CEO is entitled for a severance fee subject to the provisions contained in Section 202 of the Companies Act, 2013.

#### Information as per Rule 5 of Companies (Appointment and Remuneration Rules, 2014)

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.



## General Body Meetings

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

Year	Date	Time	Venue	Special Resolutions Passed
2020-21	28.09.2021	10.00 AM	Video Conferencing/ other Audio-visual mean	Shareholders of the company approved the following items of business by way of a special resolution; 1. Re-appointment of Mr T Shivaraman as Managing Director & CEO 2. Re-appointment of Mr M Amjat Shariff as Joint Managing Director
2021-22	19.09.2022	03.00 PM	Video Conferencing/ other Audio-visual means	Shareholders of the company approved the following items of business by way of a special resolution. 1. Appointment of Dr. Ravichandran Rajagopalan as an Independent Director. 2. Appointment of Dr. Arun Kumar Gopaldaswamy as an Independent Director 3. To clarify the consent given by the members for the conversion of NCDs issued to the Lenders into equity shares of the company and to give assent for the conversion of loan facilities into equity shares of the company
2022-23	21.09.2023	11.00 AM	Video Conferencing (VC) / Other Audio- Visual Means	No items of business transacted at this AGM required the approval of Shareholders by way of Special Resolution.

### (B) Postal Ballot:

During the year 2023-24, Special resolutions were passed through Postal Ballot on April 12, 2023 for appointment of Mr. Rajesh Kumar Bansal (DIN: 09634747) and Ms. Gayatri Sundaram (DIN: 07342382) as Non-Executive Independent Directors of the company.

#### Details of the voting patterns on the aforesaid items are as follows;

Item	Particulars of the Resolutions	Remote E- Voting		
		Total Votes Cast	Votes in Favour	Votes Against
1.	Appointment of Mr. Rajesh Kumar Bansal (DIN: 09634747) as Independent Director of the Company	18,40,56,356	184051658	4698
2.	Appointment of Ms. Gayatri Sundaram (DIN: 07342382) as Independent Director of the Company	184055356	184051244	4112

Ms. Srinidhi Sridharan of Srinidhi Sridharan and Associates, Company Secretaries was appointed as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

#### Procedure for Postal Ballot:

The postal ballot was conducted in accordance with the provisions contained in Section 108 and 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and in terms of the General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated 13<sup>th</sup> April 2020, read along with other relevant circulars and notifications issued by the Ministry of Corporate Affairs, the Notice of Postal Ballot was sent in electronic mode only to all those shareholders who had registered their e-mail addresses with the Company or Depository Participant / Depository / Cameo Corporate Services Ltd, the Company's Registrar & Transfer Agent (hereinafter referred as "RTA"). Further, the shareholders were provided the option to vote only through remote e-voting and voting through physical ballot papers was not provided as per the guidelines issued by the MCA vide MCA Circulars and SEBI Listing Regulations. The Company fixes a cut-off date to reckon paid-up value of equity shares registered in the name of shareholders for the purpose of voting. Shareholders may cast their votes through e-voting during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman or person duly authorised by the Chairman and the results of voting by postal ballot are announced by the Chairman or Person duly authorized within 2 working days of conclusion of the voting period. The results are also displayed on the website of the Company <http://www.sepc.in/>, besides being

communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agents. The resolutions, if passed by the requisite majority are deemed to have been passed on the last date specified for e-voting.

At present, there is no proposal to pass any special resolution through postal ballot.

#### Means of Communication:

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

Particulars	Means of Communication
Quarterly results and in which newspaper normally published in.	Results are published in Business Standard (English) and in Makkal Kural (Tamil)
Any website where displayed	Yes, the results are displayed on the Company's website - <a href="http://www.sepc.in/investors-financial-results.aspx">http://www.sepc.in/investors-financial-results.aspx</a>
Whether it also displays official news releases	Yes
Whether the website displays the presentation made to the institutional investors and to the analysts	There have been no such presentations made during the period under review.

## General shareholder information

Annual General Meeting:

- (i) Date, time: September 27, 2024 at 12.00 Noon by video conferencing/ Other Audio-Visual Means Financial Year April 01, 2023 to March 31, 2024
- (ii) Dividend payment date - NA
- (iii) Listing

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

#### a. BSE Limited

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

#### b. National Stock Exchange of India Limited

Exchange Plaza, 5<sup>th</sup> Floor,  
Bandra-Kurla Complex,  
Mumbai 400051

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

(iv) Stock Code

BSE Limited: 532945

National Stock Exchange of India Limited: SEPC

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

(v) Market price information High and Low during each month from April 01, 2023 to March 31, 2024:

#### A. BSE Limited:

Month	High	Low
April-2023	11.91	9.63
May-2023	11.10	8.14
June-2023	10.27	7.45
July-2023	14.53	9.25



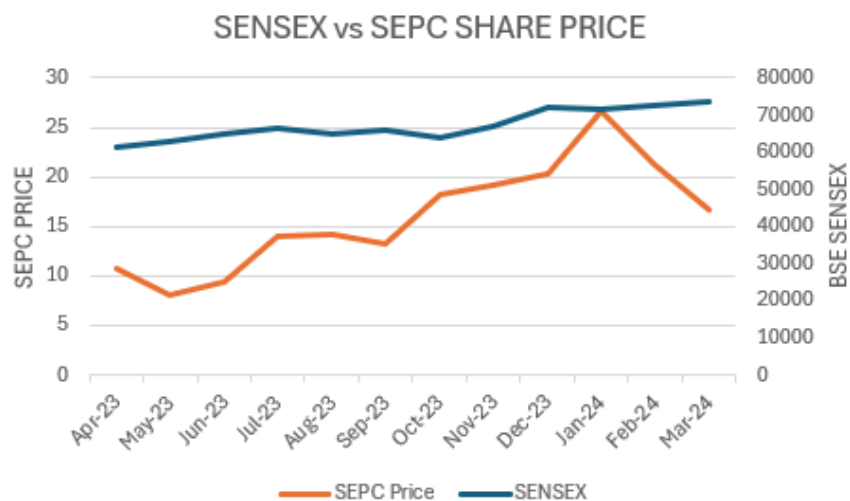
Month	High	Low
August-2023	15.90	13.43
September-2023	14.80	12.45
October-2023	20.67	12.93
November-2023	26.26	18.21
December-2023	24.20	18.85
January-2024	26.60	20.14
February-2024	27.73	20.37
March-2024	22.09	15.50

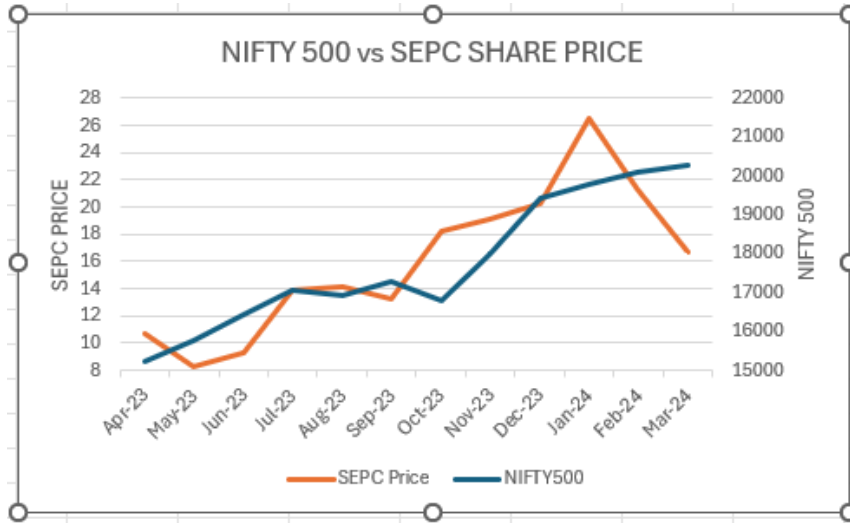
**B. NSE Limited:**

Month	High	Low
April-2023	11.90	9.55
May-2023	11.10	8.20
June-2023	10.25	7.50
July-2023	14.40	9.30
August-2023	15.90	13.40
September-2023	14.80	12.45
October-2023	20.70	12.95
November-2023	25.85	18.20
December-2023	24.25	18.85
January-2024	26.55	20.10
February-2024	27.70	20.40
March-2024	22.15	15.50

(vi) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index

**Performance in comparison with BSE SENSEX for the period from 01<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024**





(vii) During the period under review, the Company's securities has not been suspended from trading.

(viii) Registrars and Share Transfer Agents

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

Cameo Corporate Services Limited

Subramanian Building,

V Floor No. 1, Club House Road

Chennai 600 002, India

Tel: (91 44) 2846 0390

Fax: (91 44) 2846 0129

Email: [shriramepc@cameoindia.com](mailto:shriramepc@cameoindia.com)

Website: <https://cameoindia.com/>

Contact Person: Ms. Jessy

SEBI Registration Number: INR000003753

**(ix) Share Transfer System:**

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

**(x) Distribution of shareholding**

**A. Shareholding summary**

Shareholding Summary as on March 31, 2024			
Category	No. of Holders	Total Positions	% of Holdings
Physical	124	1250	0.000088
NSDL	44030	1068281581	75.774666
CDSL	122508	341530802	24.225244
<b>Total</b>	<b>166662</b>	<b>1409813633</b>	<b>100</b>

**B. Distribution of holdings as on March 31, 2024**

Distribution Of Holdings – NSDL & CDSL & Physical Record Date: March 31, 2024					
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	97491	58.4962	15770101	157701010	1.1185
5001 - 10000	24033	14.4202	20522273	205222730	1.4556
10001 - 20000	16537	9.9224	25757440	257574400	1.827
20001 - 30000	7356	4.4137	19006569	190065690	1.3481
30001 - 40000	3571	2.1426	12994884	129948840	0.9217
40001 - 50000	4389	2.6334	21031484	210314840	1.4917
50001 - 100000	6442	3.8653	49418855	494188550	3.5053
100001 - And Above	6843	4.1059	1245312027	12453120270	88.3316
<b>Total :</b>	<b>166662</b>	<b>100</b>	<b>1409813633</b>	<b>14098136330</b>	<b>100</b>

**(xi) Dematerialisation of shares and liquidity:**

As on March 31, 2024, 1409812383 equity shares representing 99.99% of the paid-up equity share capital have been dematerialised.

**(xii) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any Convertible Instruments, conversion date and likely impact on equity**

The company has neither issued nor has outstanding Global Depository Receipts, American Depository Receipts and warrants during the period under review.

However, pursuant to the Resolution plan, the Company has issued Compulsorily Convertible Debentures to lenders of the company at a face value of Rupees 100 per security to be converted into equity shares at the end of 14<sup>th</sup> year at a price that will be determined in accordance with the applicable regulations .

**(xiii) Plant locations**

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

**(xiv) Address for correspondence-** SEPC Limited, 10/1, Bascon Futura, 3<sup>rd</sup> Floor, Venkatnarayana Road, T. Nagar, Chennai – 600 017, Ph.044-4900 5555 Email: [info@sepc.in](mailto:info@sepc.in), Website: [www.sepc.in](http://www.sepc.in).

**(xv) Credit Rating**

Instrument/Facility	Amount in ₹(Crore)	Ratings	Rating Action
Long Term Fund based Bank Facilities	180.85	CRISIL BBB-/ Negative (reaffirmed; removed from 'Rating Watch with Developing Implications')	Assigned
Short Term Non- Fund based Bank Facilities	709.30	CRISIL A3 (reaffirmed; 'Rating Watch with Developing Implications')	Assigned
<b>Total</b>	<b>₹ 890.15 Crores</b>		

**Other Disclosures**

**1. Basis of related party transactions**

- (i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee.
- (ii) There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

- (iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.

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

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

S. No.	Non-compliance alleged	Fine/ penalty levied (in ₹)	Date of payment of fine
1.	Failure to obtain approval of Stock Exchange(s) before filing request for change of name with the registrar of companies under Regulation 45 of the Listing Regulations.	59,000	March 24, 2021
2.	Non-compliance under Regulation 6(1) of the SEBI Listing Regulations	63,280	March 22, 2022
3.	Late submission of the financial results within the period prescribed under Regulation 33 of the Listing Regulations	3,06,800	July 2, 2022
4.	Non-compliance under Schedule XIX – Para 2 of the SEBI ICDR Regulations for not approaching the Stock Exchange for listing of equity shares issued under preferential issue within twenty days from the date of allotment	5,43,200	August 25, 2022
5	Non-Compliance under Regulation 17(1) of the SEBI pertaining to the composition of the Board including failure to appoint woman director (BSE)	53,100	February 22, 2023
6	Non-Compliance under Regulation 17(1) of the SEBI pertaining to the composition of the Board including failure to appoint woman director (NSE)#	53,100	March 10, 2023
	<b>Total</b>	<b>10,78,480</b>	

#NSE vide its letter dated August 07, 2024 has reversed the fine levied on the company after considering the submissions made by the company.

### 3. Policy on Material Subsidiaries:

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

### 4. Risk Management:

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

### 5. Vigil Mechanism / Whistle Blower

In accordance with Section 177 of the Companies Act and the Regulation 22 of SEBI (LODR) Regulations, the Company has formulated a Vigil Mechanism and has a whistle blower policy in place to address the genuine concerns or grievances, if any, of the directors and employees. The Company affirms that no personnel has been denied access to the Audit Committee of the company.

The whistle blower policy is available on the website of the Company at <https://www.sepc.in/pdf/WHISTLE-BLOWER-AND-VIGIL-MECHANISM-NEW.pdf>

6. The company has complied with all the mandatory requirements mentioned in Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable to the company. The other non-mandatory requirements of the Listing Regulations to certain extent have been adopted by the Company.
7. Commodity price risks and commodity hedging activities – Not Applicable
8. Details of utilization of Proceeds from public issues, right issues, preferential issues etc. – The company has neither made any preferential issue of securities during the year nor has any outstanding amount raised under preferential allotment pending utilization.
9. Practicing Company Secretary's certificate on the director's disqualification

A certificate obtained from Mr. M. Alagar, Managing Partner of Ms. Alagar & Associates, Company Secretaries

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

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

The Board of Directors accepted all the recommendation(s) of the Committees of the Board during financial year ended March 31, 2024.

11. A total fee paid to the Statutory Auditors for all the services in connection with the audit of the Company is Rs. 49.43 Lakhs, for the financial year ended March 2024.
12. Disclosure under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

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

No. of complaints filed during the financial year – (NIL)  
No of Complaints disposed of during the financial year – (NIL)  
No of Complaints pending as on the end of the financial year - [NIL]

13. During the year under review, the Company had not granted any loans/advances in the nature of loans to firms/ companies in which Directors are interested.
14. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries – The company does not have a material subsidiary.
15. Compliance with Corporate Governance Norms

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated under Regulation 17 to 27 and Regulation 46 of the SEBI Listing Regulations. The Company has

submitted the compliance reports in the prescribed format to the stock exchanges for every quarter during the year ended 31<sup>st</sup> March, 2024. The certificate of compliance with the conditions of corporate governance as stipulated in Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report. The other non-mandatory requirements of the Listing Regulations to certain extent have been adopted by the Company.

16. Disclosures with respect to demat suspense account / unclaimed suspense account:

For the period under review, No shares of the company are in the Demat Suspense Account or unclaimed suspense account.

17. Disclosure of Accounting Treatment:

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

The Company does not have any Indian subsidiary companies.

**18. Code of Conduct**

The Company has adopted a Code of Conduct ("the Code") for Directors and Senior Management of the Company. The Code has been circulated to all the members of the Board and Senior Management and the same is available on the Company's website at the link: <https://www.sepc.in/pdf/Code%20of%20Conduct%2010%20August%202023.pdf>

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

19. Discretionary requirements

The discretionary requirements as specified in Part E of Schedule II have been adopted to an extent possible by the company.

## 20. Compliance with Corporate Governance Requirements:

<b>I Annual Affirmations</b>			
<b>S. No</b>	<b>Particulars</b>	<b>Registration No.</b>	<b>Compliance status(Yes/No/NA)</b>
1.	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or' eligibility	16(1)(b)&25(6)	Yes
2.	Board composition	17(1)	Yes
3.	Meeting of Board of directors	17(2)	Yes
4.	Quorum of Board meeting	17(2A)	Yes
5.	Review of Compliance Reports	17(3)	Yes
6.	Plans for orderly succession for appointments	17(4)	Yes
7.	Code of Conduct	17(5)	Yes
8.	Fees/compensation	17(6)	Yes
9.	Minimum Information	17(7)	Yes
10.	Compliance Certificate	17(8)	Yes
11.	Risk Assessment & Management	17(9)	Yes
12.	Performance Evaluation of Independent Directors	17(10)	Yes
13.	Recommendation of Board	17(11)	Yes
14.	Maximum number of Directorships	17A	Yes
15.	Composition of Audit Committee	18(1)	Yes
16.	Meeting of Audit Committee	18(2)	Yes
17.	Composition of Nomination & Remuneration committee	19(1)&(2)	Yes
18.	Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
19.	Meeting of Nomination and Remuneration Committee	19(3A)	Yes
20.	Composition of Stakeholder Relationship Committee	20(1)&(2)	Yes
21.	Meeting of Stakeholders Relationship Committee	20(3A)	Yes
22.	Composition and role of risk management committee	21(1),(2),(3),(4)	Yes
23.	Meeting of Risk Management Committee	21(3A)	Yes
24.	Vigil Mechanism	22	Yes
25.	Policy for Related Party Transaction	23(1),(1A),(5),(6),(7)&(8)	Yes

<b>I Annual Affirmations</b>			
<b>S. No</b>	<b>Particulars</b>	<b>Registration No.</b>	<b>Compliance status(Yes/No/NA)</b>
26.	Prior or Omnibus approval of Audit Committee for all related party transactions	23(2),(3)	Yes
27.	Approval for material related party transactions	23(4)	Yes
28.	Disclosure of related party transactions on consolidated basis	23(9)	Yes
29.	Composition of Board of Directors of unlisted material Subsidiary	24(1)	Not applicable
30.	Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5)&(6)	Not applicable
31.	Annual Secretarial Compliance Report	24(A)	Yes
32.	Alternate Director to Independent Director	25(1)	Not applicable
33.	Maximum Directorship & Tenure	25(2)	Yes
34.	Meeting of independent directors	25(3)&(4)	Yes
35.	Familiarization of independent directors	25(7)	Yes
36.	Declaration from Independent Director	25(8) & (9)	Yes
37.	D & O Insurance for Independent Directors	25(10)	Yes
38.	Memberships in Committees	26(1)	Yes
39.	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
40.	Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
41.	Policy with respect to obligations of directors and senior management	26(2)&26(5)	Yes



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

### Business Overview

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

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

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

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

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L74210TN2000PLC045167
2	Name of the Listed Entity	SEPC Limited
3	Year of incorporation	12/06/2000
4	Registered office address	No. 10/1 3 <sup>rd</sup> Floor, BASCON FUTURA SV IT Park Venkatanarayana Road, T. Nagar, Chennai- 600017

5	Corporate address	No. 10/1 3 <sup>rd</sup> Floor, BASCON FUTURA SV IT Park Venkatanarayana Road, T. Nagar, Chennai- 600017
6	E-mail	tsr@sepc.in/info@sepc.in
7	Telephone	044 4900 5555
8	Website	https://www.sepc.in/
9	Financial year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange Limited
11	Paid-up Capital	₹ 14,09,81,36,330
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	T. Sriraman, Company Secretary Telephone: 044-49005555 Email: tsr@sepc.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14	Name of the Assurance Provider	NA
15	Type of Assurance obtained	NA

#### II. Products/services

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

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

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

S.No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Construction of long distance drinking water pipe lines	42203	92%
2.	Construction of roads	42101	7%
3.	Project Management activities	7110	1%

**III. Operations**

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

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

**IV. Employees**

**18. Details as at the end of Financial Year:**

**a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
EMPLOYEES						
1.	Permanent(D)	229	206	89.96%	23	10.04%
2.	Other than Permanent(E)	17	17	100%	0	0%
3.	<b>Total employees (D+ E)</b>	246	223	91%	23	9%
WORKERS						
4.	Permanent(F)	-	-	-	-	-
5.	Other than Permanent(G)	281	271	96.44%	10	3.56%
6.	<b>Total workers (F+G)</b>	281	271	96.44%	10	3.56%

**b. Differently abled Employees and workers:**

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

**19. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	6	1	16.66
Key Management Personnel	3	0	0

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

**17. Markets served by the entity:**

**a. Number of locations**

Locations	Number
National(No.ofStates)	13
International(No.ofCountries)	1

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

NIL

**c. A brief on types of customers**

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

## 20. Turnover rate for permanent employees and workers

Particulars	FY 2023-2024 (Turnover rate in current FY)			FY 2022-2023 (Turnover rate in previous FY)			FY 2021-2022 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17%	2%	19%	19%	2%	21%	34%	13%	32%
Permanent Workers	--	--	--	--	--	--	--	--	--

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

### 21. (a) Names of holding /subsidiary/ associate companies / jointventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	%of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Shriram EPC FZE, Sharjah	Subsidiary	100.00%	No
2	Shriram EPC Arkan LLC	Step-down Subsidiary	70.00%	No
3	SEPC Arabia Company Limited*	Subsidiary	100%	No
4	Shriram EPC Eurotech Environmental Pvt Ltd - JV	Joint Venture	NA	No
5	SEPC DRS ITPL JV	Joint Venture	NA	No
6	Mokul Shriram EPC JV	Joint Venture	NA	No
7	Larsen & Toubro Limited Shriram EPC JV	Joint Venture	NA	No

\* Company registered in Saudi Arabia and awaiting investment by the Company.

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Not applicable  
 (ii) Turnover (in ₹) - 606.55 Crores  
 (iii) Net worth (in ₹) - 1207.39 Crores

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

## VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023 – 24 Current Financial Year			FY 2022 - 23 Previous Financial Year		
		Number of complaints filed During the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed During the year	Number of complaints pending resolution at close of the year	Remarks
Communities	<a href="https://www.sepc.in/pdf/Community-Grievance-Redress.pdf">https://www.sepc.in/pdf/Community-Grievance-Redress.pdf</a>	NIL	NIL	NA	Nil	Nil	NA
Investors (other than shareholders)	NIL	NIL	NIL	NA	Nil	Nil	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023 – 24 Current Financial Year			FY 2022 - 23 Previous Financial Year		
		Number of complaints filed During the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed During the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	<a href="https://www.sepc.in/investors-contacts.aspx">https://www.sepc.in/investors-contacts.aspx</a>	7	NIL	Governed by Grievance Redressal Mechanism under REG.13 of SEBI (LODR) Regulations, 2015	1	Nil	Resolved 1
Employees and workers	<a href="https://www.sepc.in/pdf/Employee-Grievance.pdf">https://www.sepc.in/pdf/Employee-Grievance.pdf</a>	NIL	NIL		Nil	Nil	N. A
Customers	NO	NO	NO		-	-	-
Value Chain Partners*	NO	--	--		-	-	-
Other (please specify)	--	--	--		-	-	-

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

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

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

S. No.	Material issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
01	Ambitious targets for water for all in the country	opportunity	The Har ghar Jal initiative announced by GOI , aims to provide every rural house hold with affordable and regular access to safe drinking water thro taps by 2024		Positive
02	Climate change and Environmental and social matters	Opportunity	Stringent regulation on emission norms for the existing /new power plants provides fresh opportunity for bidding fuel gas desulfurization(FGD)projects. The prohibition on open cast mining and approval for underground mining as they have lower environmental food print.		Positive

S. No.	Material issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
03	Cyclical nature of Business	Risk	Any slow down in domestic or global business environment will have impact on business sustainability	Company is present in multiple verticals to deal with any slow down in one sector will offset with the progress with the other	negative

## SECTIONB: MANAGEMENT AND PROCESS DISCLOSURES

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

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

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9									
Policy and management processes																			
9	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes /No). If yes, provide details.	The CEO and MD and the board are the highest authority responsible for sustainability related issues .																	
10 Details of Review of NGRBCs bythe Company:																			
<b>Subject for Review</b>		<b>Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</b>									<b>Frequency (Annually/Half yearly/ Quarterly/ Anyother– please specify)</b>								
		<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>
Performance against above policies and follow up action		Y	NA	Y	Y	Y	Y	-	Y	Y	A	A	A	A	A	A	-	A	A
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances		Y	NA	Y	Y	Y	Y	-	Y	Y	A	A	A	A	A	A	-	A	A
11	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The implementation of the Company's Code of Conduct and other policies are reviewed through internal audit/control function. The Quality, Safety & Health and Environmental policies are subject to internal reviews for continuous assessment by the Quality Control Department. Most of the policies adopted by the Company for ensuring the orderly and efficient conduct of business including adherence to Company's policies have been evaluated periodically by an independent external agency as a part of internal financial control requirement.																	
12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:																			
<b>Questions</b>		<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>									
The entity does not consider the principles material to its business (Yes/No)		-	-	-	-	-	-	-	-	-									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)		-	-	-	-	-	-	-	-	-									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)		-	-	-	-	-	-	-	-	-									
It is planned to be done in the next financial year (Yes/No)		-	-	-	-	-	-	-	-	-									
Any other reason (please specify)		-	-	-	-	-	-	-	-	-									
The Company through the industry associations endeavor to promote growth, technological progress and sustainable business principles. Therefore, company has not evolved a separate public policy.																			

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

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

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

**Essential Indicators**

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	6	Operation and performance Future outlook and strategy Internal financial control Regulatory updates (LODR)	100%
Key Managerial Personnel	3	Critical issues in GST litigation ESG reporting-investor Approach and expectations Structured digital database Regularity updates Updates on pit regularisation	100%
Employees other than BoDs and KMPs	40	Basic excel training Fire Mock drill HR Analytics Fire protection- N2 gas injection on SERGI system Safety Awareness POSH- Awareness Programme Planning for a Net Zero City Regulatory Changes and Challenges and Liability of Company Secretary & Directors	96%
Workers	NA	NA	NA

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

**Monetary**

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

**Non - Monetary**

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

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory/enforcement agencies/ judicial institutions
NOT APPLICABLE	NOT APPLICABLE



4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. <https://www.sepc.in/pdf/Business-Conduct.pdf>
5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption: **Nil**
6. Details of complaints with regard to conflict of interest:

	FY 2023- 2024 (Current Financial Year)		FY 2022 - 2023 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest. - NIL
8. Number of Days of Accounts Payable ((Accounts payable \* 365)/ (Cost of Goods/services procured) in the following format

	FY 2023-24	FY 2022-23
Number of days of Accounts Payables	172	280

**9. Openness of Business:**

Provide the details of concentration of purchases and sales with trading houses, dealers and related parties along with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of purchases	a. Purchases from trading houses as a percentage of total purchases	NII	NII
	b. Number of trading houses from where purchases were made	NII	NII
	c. Purchases from Top 10 Trading houses as a percentage of total purchases from trading houses	NII	NII
Concentration of Sales	a. Sales to dealers/ distributors as a percentage of total sales	NII	NII
	b. Number of dealers/ distributors to whom sales were made	NII	NII
	c. Sales to Top 10 dealers/ as a percentage	NII	NII

**Leadership Indicators**

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

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NIL	NIL	NIL

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same. - Yes

Company has approved code of conduct for all the Board of Directors and the Senior Management available on the website. <https://www.sepc.in/Companies-Act-and-SEBI-Compliances.aspx>

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

### Essential Indicators

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

	Current Financial Year – 2023-2024	Previous Financial Year – 2022 -2023	Details of improvements in environmental and social impacts
R&D	Nil	Nil	NA
Capex	Nil	Nil	NA

- Does the entity have procedures in place for sustainable sourcing? YES
  - If yes, what percentage of inputs were sourced sustainably? 100%

The Company has adopted various methodologies for sustainable sourcing. Some of the mechanisms are as follow: •

The Company gives priority to social, ethical, and environmental performance of suppliers, while sourcing materials and availing services

The Company is in the business of EPC which does not involve any manufacturing, hence there is no reclaimable waste generation

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste - NA
- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

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

### Leadership Indicators

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

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

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

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

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

Indicate Input Material	Recycled or reused input material to total material	
	FY 2023- 2024 (Current Financial Year)	FY 2022 - 2023 (Previous Financial Year)
Not Applicable		

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

	FY 2023- 2024 (Current Financial Year)			FY 2022 - 2023 (Previous Financial Year)		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (Including packaging)	Not Applicable					
E waste						
Hazardous waste						
Other waste						

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

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

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

Essential Indicators

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

Category	TOTAL (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% B/A	Number ('C)	% C/A	Number ('D)	% D/A	Number ('E)	% E/A	Number(F)	% F/A
<b>Permanent Employees</b>											
Male	206	206	100%	206	100%	NIL	0%	206	100%	NIL	0%
Female	23	23	100%	23	100%	23	100%	NIL	0%	NIL	0%
<b>Other than permanent Employees</b>											
Category	TOTAL (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% B/A	Number ('C)	% C/A	Number ('D)	% D/A	Number ('E)	% E/A	Number(F)	% F/A
Male		NA									
Female		NA									

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

Category	TOTAL (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% B/A	Number ('C)	% C/A	Number ('D)	% D/A	Number ('E)	% E/A	Number(F)	% F/A
<b>Permanent Workers</b>											
Male		NA									
Female		NA									
<b>Other than permanent Workers</b>											
Category	TOTAL (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% B/A	Number ('C)	% C/A	Number ('D)	% D/A	Number ('E)	% E/A	Number(F)	% F/A
Male	271	271	100%	271	100%	NA	NA	271	100%	NA	NA
Female	10	10	100%	10	100%	10	100%	NA	NA	NA	NA

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24	FY 2022-23
Cost Incurred on the well-being measures of employees as a % of total revenue of the company	0.09%	0.12%

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

BENEFITS	FY 2023-2024 Current Financial Year			FY 2022-2023 Previous Financial Year		
	No of Employees covered as a % of total employees	No of workers covered as a % of total workers	Deducted and deposited with the authority Y/N, NA	No of Employees covered as a % of total employees	No of workers covered as a % of total workers	Deducted and deposited with the authority Y/N, NA
PF	100%	100%	YES	88%	100%	Yes
Gratuity	100%	100%	YES	100%	100%	Yes
ESI	100%	100%	YES	100%	94%	Yes
Others -						
i) EDLI Policy	100%	100%	YES	88%	0	NA
ii) GPA Policy	100%	100%	YES	100%	0	NA
iii) WC policy	100%	100%	YES	0	100%	NA

### 3. Accessibility of workplaces

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

Most of the companies permanent office buildings are accessible to differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. YES – <https://www.sepc.in/pdf/Equal-Opportunity-to-Persons-with-Disabilities.pdf>
5. Return to work and Retention rates of permanent employees and workers that took parental leave.

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

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

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent employees	Yes
Other than permanent employees	Yes
Permanent workers	Yes
Other than permanent workers	Yes

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

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

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

Category	FY 2023- 2024 (Current Financial Year)			FY 2022-2023 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / Workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>						
- Male	<b>Not Applicable</b>					
- Female	<b>Not Applicable</b>					
<b>Total Permanent Workers</b>						
- Male	<b>Not Applicable</b>					
- Female	<b>Not Applicable</b>					

**Note : There are no associations or Unions**

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health & safety Measures		On Skill Upgradation		Total (A)	On Health & safety Measures		On Skill Upgradation	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (E)	%(E/D)	No. (F)	%(F/D)
<b>Employees</b>										
- Male	206	190	92.23%	15	7.28%	228	171	75%	9	4%
- Female	23	23	100%	23	100%	23	18	78%	12	52%
<b>Workers</b>										
- Male	<b>Not Applicable</b>									
- Female	<b>Not Applicable</b>									

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

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. B	%B/A	Total (A)	No. D	%D/C
Employees						
- Male	206	183	88.83%	228	205	90%
- Female	23	19	82.61%	23	17	75%
Workers						
- Male	Not applicable					
- Female	Not applicable					

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

10. Health and safety management system:

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

Yes. The company has adopted and implemented the Environment, Health, Safety and Social management systems (EHSS). The EHSS policy covers health and safety and the company is committed to provide safe and healthy working environment for the prevention of work related injuries and ill health. This is implemented at all sites and offices

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

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

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N) - YES

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

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

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

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related Injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

- ✓ Hazards relating to each activity at site have been identified and safe working method to undertake each activity has been developed and implemented at all sites.
- ✓ Personal protective equipments have been provided to all personnel at work site.
- ✓ All maintenance works are carried out with Work permit only. Before taking up the job while issuing work permit a safety talk is given to all the personnel concerned on the possible hazards and steps for safe working are explained.
- ✓ A safety tip is circulated daily which is discussed in detail in the daily tool box talk.
- ✓ There is a system to capture all incidents. Corrective actions are taken to avoid future incidents/ accidents.
- ✓ Internal safety audits are conducted periodically
- ✓ Preventive Maintenance schedule is adhered to strictly.

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

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	-
Health & Safety	0	0	0	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	70% by internal team, 30% by third parties
Working Conditions	70% by internal team, 30% by third parties

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions. - No Significant risks identified

**Leadership Indicators**

1. Does the entity extend any life insurance or any compensatory package in the event of death of  
 (A) Employees - Yes  
 (B) Workers - Yes
2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.  
 Statutory dues are remitted from our end no value chain partners are engaged.

3. Provide the number of employees/workers having suffered high consequence work- related injury/ill-health /fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employ mentor whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	NIL	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

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

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

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

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

**Essential Indicators**

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



2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

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

#### Leadership Indicators

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

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

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

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

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

#### PRINCIPLE 5 Businesses should respect and promote human rights

##### Essential Indicators

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

Category	FY 2023-2024			FY 2022-23		
	Total (A)	No. of employees / workers covered(B)	%(B/ A)	Total(C)	No. of employees / workers covered(D)	%(D/ C)
<b>Employees</b>						
Permanent	229	90	39.30%	251	62	25%

Category	FY 2023-2024			FY 2022-23		
	Total (A)	No. of employees / workers covered(B)	%(B/ A)	Total(C)	No. of employees / workers covered(D)	%(D/ C)
Other than permanent	17	10	58.82%	9	2	22%
<b>Total Employees</b>	246	100	40%	260	64	25%
<b>Workers</b>						
Permanent	Not Applicable					
Other than permanent	Not Applicable					
<b>Total Workers</b>	Not Applicable					

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

Category	FY 2023-24 Current Financial Year					FY 2022-2023 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Permanent										
Male	206	0	0	206	100%	228	0	0	228	100%
Female	23	0	0	23	100%	23	0	0	23	100%
Other than Permanent										
Male	17	17	0	17	100%	9	0	0	9	100%
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	271	271	100%	0	0	245	245	100%	0	0
Female	10	10	100%	0	0	7	7	100%	0	0

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

Median remuneration/wages

	Male		Female	
	Number	Median remuneration/ salary/ Wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	1	80,00,000	0	NIL
Key Managerial Personnel	2	40,61,547	0	NIL
Employees other than BoD and KMP	203	5,86,500	23	5,82,000
Workers	271	170496	10	1,16,832

b. Gross Wages paid to females as a % of total wages paid by the entity, in the following format

	FY 2023-24	FY 2022-23
Gross Wages paid to females as a % of total wages	6.37%	5.67%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? - YES
5. Describe the internal mechanisms in place to redress grievances related to human rights issues.- YES, we have exclusive committees constituted to redress grievances to human right issues.
6. Number of Complaints on the following made by employees and workers:

	FY 2023-2024 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment		NIL			Nil	
Discrimination at Workplace		NIL			Nil	
Child Labour		NIL			Nil	
Forced Labour/Involuntary Labour		NIL			Nil	
Wages		NIL			Nil	
Other human rights related issues		NIL			Nil	

7. Complaints filed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of Female Employees / Workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.-  
The complaints of discrimination and harassment are addressed in a fair manner. The identity of the complainant is not disclosed unless required. Post the resolution, protection is given to the complainant to avoid any vindictive consequences
9. Do human rights requirements form part of your business agreements and contracts?  
Clauses related to various aspects of human rights are part of the contracts with suppliers, partners, etc
10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%. Self-assessment was conducted in all offices to identify any human rights risks across the businesses through the Admin/Project/HR.
Forced / involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks/Concerns arising from the assessments at Question 9 above. – No significant risk/concern raised.

**Leadership Indicators**

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints. - No complaint received in FY2023-24 for human rights violation
2. Details of the scope and coverage of any Human rights due-diligence conducted.  
The scope and coverage of human rights due diligence extends to the Company's offices including contractual workers. This assessment covers aspects such as child labour, forced/involuntary labour, wages, sexual harassment, discrimination at workplace, health and safety, working conditions and grievance mechanism.
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?  
Most of the permanent facilities and office buildings are accessible to differently abled visitors.
4. Details on assessment of value chain partners:

	<b>% of value chain partners (by value of business done With such partners) that were assessed.</b>
SexualHarassment	NIL
Discriminationatworkplace	NIL
ChildLabour	NIL
ForcedLabour/InvoluntaryLabour	NIL
Wages	NIL
Others–pleasespecify	NIL

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

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

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

**Essential Indicators**

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

<b>Parameter</b>	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>
<b>From renewable sources</b>	-	-
Total electricity consumption (A)(MJ)	-	-
Total fuel consumption(B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	-	-
<b>From non-renewable sources</b>	-	-
Total electricity consumption (D)(MJ)	40,11,308	1,39,00,933
Total fuel consumption(E)	-	-
Energy consumption through other sources (F)	-	-

Parameter	FY 2023-2024	FY 2022-2023
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	40,11,308	1,39,00,993
<b>Total energy consumption (A+B+C+D+E+F)</b>	40,11,308	1,39,00,993
<b>Energy intensity per rupee of Turnover</b> (Total energy consumption/ Revenue from operations in rupees)	0.0007	0.0037
<b>Energy intensity per rupee of Turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Energy Consumed/ Revenue from operations adjusted for PPP)	-	-
<b>Energy Intensity in terms of physical output</b>	-	-
<b>Energy intensity (optional)</b> – the Relevant metric may be selected by the entity	-	-

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

- Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.
- Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater/ desalinated water		
(v) Others		
<b>Total volume of water withdrawal</b> (in kilolitres) (i+ii+iii+iv+v)		
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of Turnover</b> (Water consumed/Revenue from operations)		Not Applicable
<b>Water intensity per rupee of Turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water Consumed/ Revenue from operations adjusted for PPP)		
Energy Intensity in terms of physical output		
<b>Water intensity (optional)</b> – the Relevant metric may be selected by the entity		

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

4. Provide the following details with respect to water discharged

Parameter	FY 2023-2024	FY 2022-2023
<b>Water Discharge by destination and level of treatment (In Kiloliters)</b>		
(i) Surface water	Not Applicable	
- No Treatment		
- With treatment- please specify the level of treatment		
(ii) To Ground water		
- No Treatment		
- With treatment- please specify the level of treatment		
(iii) To Sea water		
- No Treatment		
- With treatment- please specify the level of treatment		
(iv) Sent to third parties		
- No Treatment		
- With treatment- please specify the level of treatment		
(iv) Others		
- No Treatment		
- With treatment- please specify the level of treatment		
<b>Total Water discharged in Kilo Liters</b>		

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

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

Parameter	Please specify Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	-	<b>Not applicable as there are no emissions from the process</b>	
Sox	-		
Particulate matter (PM)	-		
Persistent organic pollutants (POP)	-		
Volatile organic compounds (VOC)	-		
Hazardous air pollutants(HAP)	-		
Others – please specify	-		

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

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

Parameter	Unit	FY 2023-2024 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
<b>Total Scope 1 and Scope 2</b> Emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG Emissions/Revenue from operations)	-	-	-

Parameter	Unit	FY 2023-2024 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 1 and Scope 2 Emissions per rupee of Turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG Emissions/Revenue from operations adjusted for PPP)	-	-	-
<b>Total Scope 1 and Scope 2 Emissions in terms of physical output</b>	-	-	-
<b>Total Scope 1 and Scope 2 Emission intensity</b> (optional)- the relevant metric may be selected by the entity	-	-	-

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

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
<b>Total (A+B + C + D + E + F + G + H)</b>	-	-
<b>Waste Intensity per rupee of turnover</b> (Total Waste Generated /Revenue from operations)	-	-
<b>Waste Intensity per rupee of Turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Waste Generated /Revenue from operations adjusted for PPP)	-	-
<b>Waste intensity in terms of physical output</b>	-	-
<b>Waste intensity</b> (optional)- the relevant metric may be selected by the entity	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	-	-



Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	-	-

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

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes. NA
11. If the entity has operations/ offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

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

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

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

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

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

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

#### Leadership Indicators

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

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

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

Parameter	FY 2023-24 (Current Financial Year)	FY2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third partywater		
(iv) Seawater/ desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres)</b>		
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of Turnover</b> (Water consumed/turnover)		
<b>Water intensity</b> (optional) – the Relevant metric may be selected by the entity		
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment		
- With treatment – please Specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please Specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please Specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Not Applicable

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

2. Please provide details of total Scope 3 emissions & its intensity, in the following format: Not Applicable

Parameter	Unit	FY 2023-2024 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric Tonnes of CO <sub>2</sub> equivalent	-	-

Parameter	Unit	FY 2023-2024 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 3 emissions per rupee of turnover</b>	-	-	-
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-	-

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

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on bio diversity in such areas along-with prevention and remediation activities.  
no
4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative.
NA			

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

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.  
We have an Emergency Preparedness plan to deal with contingencies and to protect our personnel and assets to quickly restore operations when a disaster strikes. All our employees are continuously trained by conducting mock drills to handle disasters. To prevent any loss of data in the event of a disaster, periodical back up is taken. Critical data are stored in the cloud platform which can be retrieved anytime.
6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.  
Most of our value chain partners are reputed companies who have adopted sustainable business practices and there is no significant adverse impact to the environment
7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.  
NA

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

**Essential Indicators**

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

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

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

Name of Authority	Brief of the case	Corrective action taken
Not Applicable		

### Leadership Indicators

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

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

### PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

#### Essential Indicators

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

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

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: Not Applicable

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

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

3. Describe the mechanisms to receive and redress grievances of the community. – NA
4. Percentage of input material/services (inputs to total inputs by value) sourced from suppliers/service providers:

	FY 2023-2024	FY 2022-23
Directly sourced from MSMEs/small producers	-	-
Directly from within India	100%	100%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-2024	FY 2022-23
Rural	12.70%	11.75%
Semi Urban	24.11%	22.01%
Urban	27.14%	31.42%
Metropolitan	36.04%	34.82%

### Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
-	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

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

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups? (Yes/ No) No  
 (b) From which marginalized/vulnerable groups do you procure? NA  
 (c) What percentage of total procurement (by value) does it constitute? NA
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

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

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

Name of Authority	Brief of the case	Corrective action plan
-		

6. Details of beneficiaries of CSR Projects:

S.No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
NA			

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

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback: NA  
 2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about: NA

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

3. Number of consumer complaints in respect of the following:

	FY 2023-2024 (Current Financial Year)		Remarks	FY 2022-2023 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues: NA

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? **(Yes/No)** If available, provide a web-link of the policy. YES : <http://www.sepc.in/pdf/Cyber-Security.pdf>
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cybersecurity and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products / services. NIL
7. **Provide the following information relating to data breaches:**
- Number of instances of data breaches-NIL
  - Percentage of Data breaches involving personally identifiable information of Customers-NA
  - Impact, if any, of the data breaches-NA

**Leadership Indicators**

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

## Management Discussion and Analysis

Indian economy has grown by 8.2% in FY 24 driven by infrastructure policy of Government of India. However, the geopolitical tensions, extreme weather events, elections pose risks to the otherwise optimistic outlook.

### Outlook of Infrastructure Industry:

Infrastructure sector is a key driver responsible for propelling India's overall development and enjoys intense focus from the Government and acts as a catalyst for India's economic growth which includes power, bridges, dams, roads, and urban infrastructure. It also drives the growth of the allied sectors like townships, housing, built-up infrastructure and construction development projects.

To become a US \$5 trillion economy by 2025, Government has launched the National Infrastructure Pipeline (NIP) combined with other initiatives such as 'Make in India' and the production-linked incentives (PLI) scheme to augment the growth of infrastructure sector.

The Government has also started to focus on other sectors as India's environment and demographics are fast evolving. There is a need for enhanced and improved delivery across the whole infrastructure range, from housing to water and sanitation services to digital and transportation demands, which will assure economic growth, increase quality of life and boost sectoral competitiveness beyond cities to far flung villages.

There is a significant scope for new mining capacities in iron ore, bauxite, metals and coal and considerable opportunities for future discoveries of sub-surface deposits and continue to provide lucrative business opportunities for steel, copper, zinc, and aluminium producers. The future of mining is underground, not only because metals and minerals close to the surface are increasingly rare, but because underground mines have a significantly lower environmental footprint.

### Business:

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

#### 1. Infrastructure

- a. Water & Sewer
- b. Road

#### 2. Industrial EPCC

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

#### 1. Infrastructure Water & Sewer

SEPC, as an EPC Player in the last two decades have executed various water and sewerage projects across India and abroad. SEPC has a high level of Engineering expertise to handle Turnkey Engineering projects to deliver complex projects with strict adherence to deadlines and quality standards. The Water and sewer business consists of the following:

- Drinking water projects
- Sewerage projects
- Pipe Rehabilitation projects

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

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

Pipe Rehabilitation projects are generally carried out in places where new sewage lines cannot be laid. These projects involve in-situ repair and life extension of existing sewage net works.

#### Road

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

#### 2 Industrial EPC

##### Steel Plants

SEPC has domain knowledge and good customer base for having executed various projects in Integrated steel



plants in areas like Construction of Special Bar mills, Sinter plants, Wire Rod mill, medium structural mills, hot strip mills, Coke oven, Coal chemical plants, Coal Dust Injection system, air and oxygen turbo compressor, raw material handling systems, secondary refining units etc. and have qualification to participate in this segment along with the right technology provider. SEPC has also completed the balance of plant and main equipment erection for a 1.2 MTPA steel plant in Oman.

### Deep Shaft Mining

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

SEPC is actively participating in various new opportunities emerging out of Government Policy in deep shaft mining.

### Power Plants

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

SEPC is selectively approaching Power Plant Business. Compressed Bio Gas (CBG) is another new opportunity for SEPC

### Process Plants

SEPC has built complete projects for cement, Coal handling, Coal gasification, Cattle feed plants etc. and has the qualification to participate in this segment along with technology provider on consortium basis.

We have more than two decades of experience in this field having executed projects in diversified sectors for various companies.

**Market Size:** As already discussed, achieving the National goal of USD 5 trillion economy by 2025 involves massive investment in infrastructure and provides very large market for SEPC services.

The company's expertise, strong management team, and focus on high-potential sectors provide it with growth opportunities in the domestic and international markets.

## SWOT Analysis:

### Strengths:

- 1. Technical Proficiency:** SEPC has expertise in providing high-end designing and engineering solutions, which has

helped the company establish a niche for itself in the market.

- 2. Well-established in high-potential sectors:** The company has a proven track record in executing projects in sectors like water, process, metallurgy, mines, and power plants, which offer significant growth opportunities.
- 3. Skilled Management:** SEPC has a strong management team with rich experience, supported by an effective board of directors.

### Weaknesses:

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

### Opportunities:

- 1. Domestic Market:** The government's infrastructure initiatives and flagship programs provide significant opportunities for SEPC in areas like water, roads, steel, mining, power, and renewable energy.
- 2. International Markets:** SEPC's subsidiaries in UAE, Saudi Arabia and promoters extensive network in the GCC countries gives SEPC excellent access to the growing markets in the Gulf region.

### Threats:

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

### Internal control systems and their adequacy.

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

### Financial Performance:

In FY 2023-24, SEPC recorded a significant increase (48%) in consolidated revenue compared to the previous year. Gross margin improved from 15% to 16%, and EBITDA increased to Rs. 7,248.83 lakhs (12 %) from Rs. (4,629) lakhs (-12%) in the previous year.

The Consolidated Profit after tax (PAT) at Rs. 2,278.36 lakhs, compared to Rs. (490.38) lakhs in the previous year. The company's financial position substantially improved with the better performance and the infusion of fresh equity of Rs 9,980.00 lakhs through Rights Issue.

**Human Resources and Industrial Relations:** SEPC had a manpower strength of 229 employees with more than 65% Engineers as of March 31, 2024. The company maintains a conducive and safe working environment, provides continuous learning opportunities, and emphasizes training and skill development programs. The company has a good track record in industrial relations, with no significant issues reported. The employees support the company's management efforts, resulting in a low level of attrition.

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

1. Debtors Turnover: Increased turnover and reduction in debtors led to a 37% increase in the debtors' turnover ratio.
2. Current Ratio: The current ratio improved by 11% due to the reduction in current liabilities following the implementation of the RP.
3. Debt Equity Ratio: The debt equity ratio improved by 71% due to the infusion of fresh equity and conversion of debt into NCD/CCDs.
4. Return on Net Worth: The return on net worth improved from negative to positive due to increased operations and infusion of fresh equity.
5. Interest coverage ratio: The interest coverage ratio has improved from 1.37 times to 1.51 times from 2022-23 to 2023-24.



**STANDALONE  
FINANCIAL  
STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT To the Members of SEPC Limited

### Report on the Audit of the Standalone Financial Statements

#### Qualified Opinion

We have audited the accompanying standalone financial statements of SEPC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

- i. The carrying value of the Deferred Tax Asset (DTA) balance includes an amount of Rs. 30,870.91 Lakhs as on March 31, 2024 which was recognized in regard to the unabsorbed business losses of Rs.88,343.94 lakhs. Due to the non-availability 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: Income taxes, we are unable to comment on any adjustments that may be required to the carrying value of the aforesaid DTA on the standalone financial statements for the year ended March 31, 2024. (Refer Note 41(B) of the standalone financial statements).
- ii. Non-Current Contract Assets include overdue balances of Rs. 6,959.44 lakhs (net of provisions amounting to Rs. 926.98 lakhs) and Non-Current Trade Receivables include Rs. 575.21 lakhs (net of provisions amounting to Rs. 82.99 lakhs) as on March 31, 2024, relating to dues on projects which have been stalled due to delays in obtaining approvals from the regulatory authorities. Due to the non-availability of sufficient appropriate audit

evidence to corroborate management's assessment of the recoverability of the said balances, we are unable to comment on the carrying value of these non-current Contract Assets and Trade Receivables, and the consequential impact if any, on the standalone financial statements for the year ended March 31, 2024. (Refer Note 8.1 and Note 11.1 of the standalone financial statements).

These matters were also qualified in our report on the standalone financial statements for the year ended March 31, 2023.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in

our audit of the standalone financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

#### Provision for Expected credit loss

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

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

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

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

#### **How the Key Audit Matter was addressed in our audit:**

Our audit procedures in respect of this area included:

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report and Director's report along with annexures, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The other information included in the Management Report and Director's Report along with annexures have not been adjusted for the impacts as described in the Basis for Qualified section above. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  2. As required by Section 143(3) of the Act, we report that:
    - (a) We have sought and except, for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - (b) Except for the possible effect of the matters described in the Basis of Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books including daily back-up of books of accounts and other books and papers maintained in electronic mode except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g).
    - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
    - (d) Except, for the possible effect of matters described in the Basis of Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
    - (e) The matters described in Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Matter paragraph above and paragraph 2(i)(vi) below on reporting under Rule 11(g).
  - (h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 56 to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, as stated in note 64 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- (b) The Management has represented, that, to the best of its knowledge and belief, as stated in note 64 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.

- v. The Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination, the Company has used an accounting software, for maintaining its books of account during the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level during the year ended March 31, 2024 in respect of the software at database level to log any direct data changes.

Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software, except for the software at the database level as stated above, in respect of which the audit trail

facility has not operated throughout the year for all relevant transactions recorded in this accounting software during the year ended March 31, 2024. Also, during the course of our examination, we did not come across any instance of audit trail feature being tampered with.

Based on our examination, the Company has used an accounting software for maintaining its payroll records during the year ended March 31, 2024, which is operated by a third-party software service provider. In absence of independent service auditors report, we are unable to comment whether the software has a feature of recording audit trail (edit log) facility, nor are we able to comment on whether the audit trail feature was enabled in the said software and operated throughout the year for all relevant transactions recorded in the software.

We are further unable to comment as to whether there were any instances of the audit trail feature being tampered with.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

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

**Geetha Jeyakumar**  
Partner

Place: Chennai  
Date: May 28, 2024

Membership No. 029409  
UDIN: 24029409BKDELO2256



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

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

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

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

scope and timing of the audit and significant audit findings, including any significant deficiencies in

internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2024 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

**Geetha Jeyakumar**  
Partner

Place: Chennai  
Date: May 28, 2024

Membership No. 029409  
UDIN: 24029409BKDELO2256

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SEPC LIMITED FOR THE YEAR ENDED MARCH 31, 2024

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

- |  |  |
|--|--|
| <p>i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.</p> <p>i. (a) B The Company has maintained proper records showing full particulars of intangible assets.</p> <p>i. (b) All the Property, Plant and Equipment and right-of-use assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.</p> <p>i. (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company except for the title deeds of immovable properties aggregating to Rs. 241.50 Lakhs are pledged with the banks and are not available with the Company. The same has been independently confirmed by the bank and verified by us.</p> <p>i. (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.</p> <p>i. (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i) (e) of the Order are not applicable to the Company.</p> <p>ii. (a) The Company is involved in the business of rendering design, engineering, procurement, construction and project management services. Accordingly, the provisions stated in paragraph 3(ii) (a) of the Order are not applicable to the Company.</p> <p>ii. (b) During the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores in</p> | <p>aggregate from Banks and financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly statements filed with such Banks and financial institutions are in agreement with the books of accounts of the Company.</p> <p>iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.</p> <p>iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.</p> <p>v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.</p> <p>vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.</p> <p>vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues</p> |
|--|--|

have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

There were no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31,

2024 for a period of more than six months from the date they became payable.

- vii. (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded Rs. In Lakhs	Amount Paid Rs. In Lakhs	Period to which the amount relates	Forum where dispute is pending
Finance Act	Service tax	779.77	28.50	2010-11 to 2012-13	Principal Commissioner Service Tax, Chennai
Andhra Pradesh Value Added Tax	Value added Tax	223.00	Nil	2008-09 to 2010-11	Supreme Court New Delhi
West Bengal Value Added Tax and Central Sales Tax	Disputed on Input Credit Tax and CST Sales	524.00	47.29	2007-08	Revisional Board, West Bengal
Kerala Value Added Tax	Dispute on Penalty	658.78	Nil	2015-16	Assistant Commissioner (INT), Kerala
Tamil Nadu Value Added Tax	Dispute on Input Credit tax	2.49	Nil	2011-12 to 2015-16	State Tax Officer, Chennai
Goods & Service Tax	Dispute on Royalty	5.98	Nil	2018-19 to 2019-20	Superintendent of GST, Rajasthan.
Kerala Value Added Tax	Dispute on Tax & Penalty	557.91	Nil	2016-17	Joint Commissioner (Appeals), S.G.S.T. Dept. Mattanchery
Goods & Service Tax	Disputed on Input Credit tax	64.57	Nil	2017-18	Office of the Assistant Commissionerm, Eranakulam
Goods & Service Tax	Disputed on Input Credit tax	1.31	Nil	2017-18	Office of the State Tax Officer, CT & GST Officer, Odisha

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.

- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- ix. (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- ix. (c) In our opinion and according to the information explanation provided to us, money raised by way of

term loans during the year have been applied for the purpose for which they were raised.

- ix. (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- ix. (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiary.
- ix. (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary.

Accordingly, reporting under Clause 3(ix)(f) of the order is not applicable to the Company.

- x. (a) In our opinion and according to the information explanation given to us, money raised by way of rights issue of the equity shares of the Company during the year, have been, prima facie, applied by the Company during the year for the purposes for which they were raised and there were no delays or default regarding application. Further, the Company has not raised any monies by way of debt instruments.
- x. (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.
- xi. (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
- xi. (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- xiv. (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of the Act in clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.
- xvi. (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.
- xvi. (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.
- xvi. (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one Core Investment Company as a part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the Order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management

plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our verification, provisions of Section 135 of the Act, are not applicable to the Company during

the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

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

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

**Geetha Jeyakumar**

Partner

Place: Chennai  
Date: May 28, 2024

Membership No. 029409  
UDIN: 24029409BKDELO2256

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

[Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of SEPC Limited on the Financial Statements for the year ended March 31, 2024]

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

We have audited the internal financial controls with reference to standalone financial statements of SEPC Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Qualified Opinion**

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls with reference to standalone financial statements as of March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"), and except for the possible effects of the material weaknesses described in Basis for Qualified Opinion Section below on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to standalone financial statements were operating effectively as of March 31, 2024.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2024, and these material weaknesses have affected our opinion on the standalone financial statements of the Company for the year ended on that date and we have issued a qualified opinion on the standalone financial statements.

#### **Basis for Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls with reference to standalone financial statements as at March 31, 2024:

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

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

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

#### **Management and Board of Director's Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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



the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance

regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

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

**For M S K A & Associates  
Chartered Accountants**

ICAI Firm Registration No. 105047W

**Geetha Jeyakumar**  
Partner

Place: Chennai  
Date: May 28, 2024

Membership No. 029409  
UDIN: 24029409BKDELO2256



## Standalone Balance Sheet as at March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6A	2,830.84	3,272.80
Right of Use Assets	6B	241.61	322.39
Intangible assets	7	23.92	27.96
Contract assets	8	10,300.45	7,351.90
<b>Financial assets</b>			
Investments	9	102.07	65.19
Loans	10	696.17	697.48
Trade Receivables	11	16,600.32	18,206.23
Other Financial Assets	12	1,030.47	1,030.50
Deferred Tax Assets (Net)	41	40,323.55	40,323.55
Income Tax Assets (Net)	14	1,710.37	1,549.37
<b>Total Non-Current Assets</b>		<b>73,859.77</b>	<b>72,847.37</b>
<b>Current assets</b>			
Contract Assets	15	91,975.82	73,246.59
<b>Financial assets</b>			
Trade receivables	16	22,883.33	24,241.10
Cash and cash equivalents	17	1,817.33	3,287.79
Other bank balances	18	4,257.69	1,730.33
Other Financial Assets	19	234.18	166.00
Other Current assets	20	11,607.79	10,597.04
<b>Total Current Assets</b>		<b>1,32,776.14</b>	<b>1,13,268.85</b>
<b>Total Assets</b>		<b>2,06,635.91</b>	<b>1,86,116.22</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	21	1,40,981.36	1,32,152.90
Other equity	22	(20,242.24)	(23,748.69)
<b>Total Equity</b>		<b>1,20,739.12</b>	<b>1,08,404.21</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial liabilities</b>			
Lease Liabilities	6B	177.39	252.04
Borrowings	23	29,840.24	26,616.64
Other financial liabilities	24	3,847.21	4,024.26

## Standalone Balance Sheet as at March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Provisions	25	734.15	590.32
Contract Liabilities	26	4,552.49	2,078.30
<b>Total Non-Current Liabilities</b>		<b>39,151.48</b>	<b>33,561.56</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease Liabilities	6B	103.30	98.45
Borrowings	27	15,373.66	13,966.58
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	28	21,989.10	24,427.86
Other financial liabilities	29	4,755.63	1,621.56
Other current liabilities	30	188.71	445.95
Contract Liabilities	31	4,280.94	3,432.75
Provisions	32	53.97	157.30
<b>Total Current Liabilities</b>		<b>46,745.31</b>	<b>44,150.45</b>
<b>Total Liabilities</b>		<b>85,896.79</b>	<b>77,712.01</b>
<b>Total Equity and Liabilities</b>		<b>2,06,635.91</b>	<b>1,86,116.22</b>

Summary of Material accounting policies 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

**For MSKA & Associates**

**Chartered Accountants**

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

**SEPC Limited**

CIN - L74210TN2000PLC045167

**Geetha Jeyakumar**

Partner

Membership No: 029409

**N K Suryanarayanan**

Managing Director & CEO

DIN: 01714066

**R Ravichandran**

Director

DIN: 01920603

**T.Sriraman**

Company Secretary

Membership No:A68102

**R S Chandrasekharan**

Chief Financial Officer

**Place: Chennai**

**Date: May 28, 2024**

**Place: Chennai**

**Date: May 28, 2024**

## Standalone Statement of Profit and Loss for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	33	56,098.28	37,884.66
Other income	34	4,557.64	1,209.30
<b>Total income</b>		<b>60,655.92</b>	<b>39,093.96</b>
<b>Expenses</b>			
Erection, Construction & Operation Expenses	35	46,671.76	31,852.15
Employee benefits expense	36	3,224.98	3,335.46
Finance costs	37	4,437.81	6,038.86
Depreciation and amortization expense	38	531.92	614.62
Other expenses	39	3,522.32	9,178.29
<b>Total expenses</b>		<b>58,388.79</b>	<b>51,019.38</b>
<b>Profit /(Loss) before exceptional items and tax</b>		<b>2,267.13</b>	<b>(11,925.42)</b>
Exceptional items- (income)	40	-	(13,815.13)
<b>Profit before tax</b>		<b>2,267.13</b>	<b>1,889.71</b>
<b>Income tax expense</b>			
Current tax		-	-
Deferred tax	41	-	3,021.95
<b>Total income tax expense</b>		<b>-</b>	<b>3,021.95</b>
<b>Profit / (Loss) for the year</b>		<b>2,267.13</b>	<b>(1,132.24)</b>
<b>Other Comprehensive Income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (loss) on defined benefit plans (Net of Taxes)		50.90	(56.38)
Fair Value of Equity Instruments through OCI		36.88	(11.79)
Other Comprehensive Income / (loss) for the year		87.78	(68.17)

## Standalone Statement of Profit and Loss for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Other Comprehensive Income / (loss) for the year		87.78	(68.17)
<b>Total Comprehensive Income / (Loss) for the year</b>		<b>2,354.91</b>	<b>(1,200.41)</b>
Earnings / (Loss) per share	42		
Basic earnings / (loss) per share (₹)		0.16	(0.09)
Diluted earnings / (loss) per share (₹)		0.16	(0.09)
Face value per equity share (₹)		10.00	10.00

Summary of Material accounting policies 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

**For MSKA & Associates**

**Chartered Accountants**

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

**SEPC Limited**

CIN - L74210TN2000PLC045167

**Geetha Jeyakumar**

Partner

Membership No: 029409

**N K Suryanarayanan**

Managing Director & CEO

DIN: 01714066

**R Ravichandran**

Director

DIN: 01920603

**T.Sriraman**

Company Secretary

Membership No:A68102

**R S Chandrasekharan**

Chief Financial Officer

**Place: Chennai**

**Date: May 28, 2024**

**Place: Chennai**

**Date: May 28, 2024**

## Standalone Statement of changes in equity for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

(A) Equity share capital	As at 31-03-2024		As at 31-03-2023	
	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid				
Outstanding at the Beginning of the year	1,32,15,29,018	1,32,152.90	97,15,29,018	97,152.90
Add: Shares issued during the year	8,82,84,615	8,828.46	35,00,00,000	35,000.00
<b>Outstanding at the End of the year</b>	<b>1,40,98,13,633</b>	<b>1,40,981.36</b>	<b>1,32,15,29,018</b>	<b>1,32,152.90</b>

### (B) Other equity

Particulars	Reserves & Surplus				Components of Other Comprehensive Income		Total
	Securities premium account	General reserve	Capital reserve	Retained earnings	Re-measurement gains/ (losses) on defined benefit plans (Net of Tax)	Equity instruments through Other Comprehensive Income	
<b>Balance as at April 01, 2022</b>	1,91,225.43	561.93	12.92	(2,14,517.03)	159.96	8.51	(22,548.28)
Loss for the year	-	-	-	(1,132.24)	-	-	(1,132.24)
Other comprehensive income/ (loss)	-	-	-	-	(56.38)	(11.79)	(68.17)
<b>Balance as at April 01, 2023</b>	<b>1,91,225.43</b>	<b>561.93</b>	<b>12.92</b>	<b>(2,15,649.27)</b>	<b>103.58</b>	<b>(3.28)</b>	<b>(23,748.69)</b>
Issue of Shares	1,151.54	-	-	-	-	-	1,151.54
Profit for the year	-	-	-	2,267.13	-	-	2,267.13
Other comprehensive income/ (loss)	-	-	-	-	50.90	36.88	87.78
<b>Balance as at March 31, 2024</b>	<b>1,92,376.97</b>	<b>561.93</b>	<b>12.92</b>	<b>(2,13,382.14)</b>	<b>154.48</b>	<b>33.60</b>	<b>(20,242.24)</b>

Summary of Material accounting policies 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

**For MSKA & Associates**

**Chartered Accountants**

Firm Registration No. 105047W

**Geetha Jeyakumar**

Partner

Membership No: 029409

**N K Suryanarayanan**

Managing Director & CEO

DIN: 01714066

**T.Sriraman**

Company Secretary

Membership No:A68102

**R Ravichandran**

Director

DIN: 01920603

**R S Chandrasekharan**

Chief Financial Officer

For and on behalf of the Board of Directors of

**SEPC Limited**

CIN - L74210TN2000PLC045167

**Place: Chennai**

**Date: May 28, 2024**

**Place: Chennai**

**Date: May 28, 2024**

## Standalone Statement of cash flows for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	March 31,2024	March 31,2023
<b>Cash flow from operating activities</b>		
Profit before tax and after exceptional items	2,267.13	1,889.71
Adjustments for:		
Depreciation and amortization expenses	531.92	614.62
Provision for Gratuity	79.45	76.34
Provision for Compensated Absences	191.82	(158.56)
Provision for Doubtful Trade Receivable & Contract Assets	816.55	5,690.78
Contract Assets & bad debts written off	2,420.95	4,453.20
Finance cost	4,437.81	6,038.86
Gain on initial recognition of unsecured loan	(2,607.07)	(613.58)
Interest income	(202.33)	(312.71)
Liabilities no longer required written back	(1,500.28)	(119.80)
(Profit)/Loss on sale of property,plant and equipment	(4.66)	336.27
Gain on debt restructuring	-	(19,634.82)
Impairment loss allowance on Contract assets and receivables	-	5,819.69
<b>Operating Profit before working capital changes</b>	<b>6,431.29</b>	<b>4,080.00</b>
<b>Changes in working capital</b>		
(Decrease)/Increase in trade payables	(938.48)	8,233.40
Decrease in trade receivables	2,963.69	3,654.64
Decrease in loans and advances	1.31	-
Decrease in other Current liabilities	(257.25)	(242.92)
Increase / (Decrease) in contract liabilities	3,322.38	(2,625.88)
Decrease in Short Term provisions	(295.15)	(134.50)
Increase /(Decrease) in Long Term provisions	115.28	(137.07)
Increase/(Decrease) in other financial liabilities	2,957.02	(263.44)
(Increase) / Decrease in other financial assets	(84.27)	804.96
(Increase) / Decrease in other current assets	(1,010.77)	1,058.88
Increase in Contract Assets	(24,915.27)	(12,173.61)
<b>Cash (used in) / generated from operations</b>	<b>(11,710.22)</b>	<b>2,254.46</b>
Income tax paid	(160.99)	(136.97)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(11,871.21)</b>	<b>2,117.49</b>
<b>Cash flow from Investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(5.38)	(13.91)
Movement in Bank balances not considered as Cash and cash equivalents (Net)	(2,527.36)	657.16
Proceeds from sale/ disposal of property, plant and equipment	4.66	292.15
Interest received	202.33	312.70
<b>Net cash flow (used in) /generated from investing activities (B)</b>	<b>(2,325.75)</b>	<b>1,248.10</b>

## Standalone Statement of cash flows for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	March 31,2024	March 31,2023
<b>Cash flow from Financing activities</b>		
Proceeds from issue of share capital	9,980.00	35,000.00
Proceeds from Short term borrowings (net)	1,407.08	359.20
Proceeds from Long Term Borrowings	4,000.00	16,488.97
Repayment of Long term borrowings	(436.47)	(48,247.99)
Interest and Finance Charges Paid	(2,125.65)	(4,168.06)
Repayment of finance lease obligation	(98.46)	(58.19)
<b>Net cash flow generated from / (used in) financing activities (C)</b>	<b>12,726.50</b>	<b>(626.07)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(1,470.46)</b>	<b>2,739.52</b>
Cash and cash equivalents at the beginning of the year	3,287.79	548.27
Cash and cash equivalents at the end of the year	<b>1,817.33</b>	<b>3,287.79</b>
<b>Cash and cash equivalents comprise</b>		
Cash and cash equivalents as per Balance Sheet	6,075.02	5,018.12
Less: Bank balances not considered as Cash and cash equivalents as defined in Ind-AS 7 Cash Flow Statements	4,257.69	1,730.33
	<b>1,817.33</b>	<b>3,287.79</b>

Summary of Material accounting policies 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

**For MSKA & Associates**

**Chartered Accountants**

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

**SEPC Limited**

CIN - L74210TN2000PLC045167

**Geetha Jeyakumar**

Partner

Membership No: 029409

**N K Suryanarayanan**

Managing Director & CEO

DIN: 01714066

**R Ravichandran**

Director

DIN: 01920603

**T.Sriraman**

Company Secretary

Membership No:A68102

**R S Chandrasekharan**

Chief Financial Officer

**Place: Chennai**

**Date: May 28, 2024**

**Place: Chennai**

**Date: May 28, 2024**



## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### 1 General Information

SEPC Limited (the "Company" or "SEPC") has diverse interests across Project Engineering & Construction. The company provides end-to-end solutions to engineering challenges, offering multi disciplinary design, engineering, procurement, construction and project management services. SEPC is focused on providing turnkey solutions for ferrous & non ferrous, cement, aluminum, copper and thermal power plants, water treatment & transmission, renewable energy, cooling towers & material handling.

The Company along with the Joint operators enters into contracts with the customers for execution of the projects. The Company's share as per such contracts is listed below. However, the Company as a Joint operator, recognises assets, liabilities, income and expenditure held/incurred jointly with other partners in proportion to its interest in such joint arrangements in compliance with applicable accounting standards taking into account the related rights and obligations applicable in the respective jointly controlled operations.

Joint operators	% of SEPC's Share
Larsen & Toubro limited shriram EPC JV	10%
Shriram EPC Eurotech Environment Pvt Ltd - JV*	100%
SEPC DRS ITPL JV*	100%
Mokul Shriram EPC JV*	50%

\*Unincorporated Joint Ventures

### 2 Material accounting policies

Material accounting policies adopted by the company are as under:

#### 2.1 Basis of Preparation of Financial Statements

The financial statements have been prepared using material accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements

##### (a) Statement of Compliance with Ind AS

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the

Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financial statements have been approved for issue by the Board of Directors at its meeting held on May 28, 2024.

##### (b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except certain financial assets and liabilities measured at fair value (Refer Accounting Policy No. 2.9 on financial instruments).

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The normal operating cycle of the entity for Construction contracts is the duration of 2 to 3 years depending on each contract.

##### (c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees in Lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

##### (d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, fair value measurement, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.. Refer Note 3 for detailed discussion on estimates and judgments.

### (e) Interests in Joint Operations

When the Company has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as joint operations. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Company recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Holding Company and its subsidiaries are combined for consolidation.

### 2.2 Fair value measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS . The carrying value of all the items of property, plant and equipment as on date of transition is considered as the deemed cost.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement.

Fair value measurements under Ind AS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets/liabilities

### 2.3 Revenue Recognition

- A. The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

a customer are as per business practice and there is no financing component involved in the transaction price. Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit and Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
  2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.
- B. Revenue from construction contracts/project related activity and contracts for supply/commissioning of complex plant and equipment is recognised as follows:

Fixed price contracts: Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to condition that it is probable the such cost will be recoverable . When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to date, to the total estimated contracts cost.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

- (i) The amount of revenue can be measured reliably;
- (ii) It is probable that the economic benefits associated with the contract will flow to the company;
- (iii) The stage of completion of the contract at the end of the reporting period can be measured reliably; and
- (iv) The costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognised profits (or recognised losses, as the case may be), the surplus is shown as the amount due to customers. Amounts received before the related work is performed are disclosed in the Balance sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance sheet as trade receivables. The amount of retention money due from customers within the next twelve months are classified under other current assets as Trade Receivable.

Revenue from contracts from rendering engineering design services and other services which are directly related to construction of an asset is recognised on the same basis as stated in (B) above.

### Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend income is accounted in the period in which the right to receive the same is established.

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

### 2.4 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

#### (a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The company has not opted to exercise the option under section 115BAA of the income tax 1961, as introduced by the taxation laws (Amendment) ordinance, 2019 and decided to continue with the existing rate of tax for the purpose of deferred tax computation.

#### (b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject

to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 2.5 Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

### 2.6 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### 2.7 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

### 2.8 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) uncalled liability on shares and other investments partly paid;
- c) funding related commitment to subsidiary, associate and joint venture companies; and
- d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

### 2.9 Financial instruments

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

### (a) Financial assets

#### (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

#### (ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.



## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

The company has currently exercised the irrevocable option to present in Other comprehensive Income, subsequent changes in the Fair value of Equity Instruments. Such an election has been made on instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

### (iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet, ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### (iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

### (b) Financial liabilities

#### (i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

#### (ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

### (iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

### (c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure

of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

## 4 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### (a) Taxes

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carryforwards can be utilized. In addition, significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### (b) Construction Contracts

Recognizing construction contract revenue requires significant judgement in determining actual work performed and the estimated costs to complete the work, provision for rectification costs, variation claims etc

## 5 Standards (including amendments) issued but not yet effective

### Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### 6A Property, plant and equipment - Current Year

Block of Assets	Gross block				Depreciation				Net block	
	As at April 01, 2023	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2024	As at April 01, 2023	For the year	Deductions/ Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Owned assets										
Freehold land	241.50	-	-	241.50	-	-	-	-	241.50	241.50
Leasehold Improvements	350.15	-	-	350.15	215.85	14.78	(93.53)	324.16	25.99	134.30
Buildings	146.86	-	-	146.86	91.07	4.95	12.76	83.26	63.60	55.79
Plant and Machinery	5,216.77	-	-	5,216.77	2,433.59	409.44	72.90	2,770.13	2,446.64	2,783.18
Furniture and Fixtures	60.56	-	-	60.56	48.92	4.55	9.98	43.49	17.07	11.64
Office Equipment	12.30	0.37	0.21	12.46	12.11	0.02	0.80	11.33	1.13	0.19
Computers	93.74	5.01	-	98.75	57.09	10.57	(0.16)	67.82	30.93	36.65
Vehicle	11.79	-	1.00	10.79	2.24	2.79	(1.78)	6.81	3.98	9.55
<b>Total</b>	<b>6,133.67</b>	<b>5.38</b>	<b>1.21</b>	<b>6,137.84</b>	<b>2,860.87</b>	<b>447.10</b>	<b>0.97</b>	<b>3,307.00</b>	<b>2,830.84</b>	<b>3,272.80</b>

### Property, plant and equipment - Previous Year

Block of Assets	Gross block				Depreciation				Net block	
	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at April 01, 2022	For the year	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Owned assets										
Freehold land	241.50	-	-	241.50	-	-	-	-	241.50	241.50
Leasehold Improvements	350.15	-	-	350.15	197.29	18.56	-	215.85	134.30	152.86
Buildings	146.86	-	-	146.86	70.61	20.46	-	91.07	55.79	76.25
Plant and Machinery	5,577.72	8.12	369.07	5,216.77	2,283.98	482.31	332.70	2,433.59	2,783.18	3,293.74
Furniture and Fixtures	60.56	-	-	60.56	43.73	5.19	-	48.92	11.64	16.84
Office Equipment	12.30	-	-	12.30	11.46	0.65	-	12.11	0.19	0.84
Computers	90.93	5.79	2.98	93.74	45.71	14.36	2.98	57.09	36.65	45.22
Vehicle	51.75	-	39.96	11.79	37.06	5.28	40.10	2.24	9.55	14.69
<b>Total</b>	<b>6,531.77</b>	<b>13.91</b>	<b>412.01</b>	<b>6,133.67</b>	<b>2,689.84</b>	<b>546.81</b>	<b>375.78</b>	<b>2,860.87</b>	<b>3,272.80</b>	<b>3,841.93</b>

The Company has not revalued any Property, Plant and equipment during the year

The immovable properties are held in the name of the Company as at March 31, 2024 and March 31, 2023

Refer Note no 23 for property, plant and equipment pledged as security in respect of borrowings.

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

The aggregate depreciation expense for the year is included under "Depreciation and Amortisation" expense in the Statement of Profit and Loss- Refer Note 38

### 6B The details of the right-of-use asset held by the Company is as follows:

Particulars	Building	Total
<b>Balance as at April 01, 2022</b>	233.09	233.09
Additions	153.07	153.07
Deletion	-	-
Depreciation	(63.77)	(63.77)

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Building	Total
<b>Balance as at March 31, 2023</b>	<b>322.39</b>	<b>322.39</b>
Additions	-	-
Deletion	-	-
Depreciation	(80.78)	(80.78)
<b>Balance as at March 31, 2024</b>	<b>241.61</b>	<b>241.61</b>

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	Building	Total
<b>Lease liabilities as at April 1, 2022</b>	238.53	238.53
Additions	141.09	141.09
Interest on lease liabilities	29.06	29.06
Payments	(58.19)	(58.19)
<b>As at March 31, 2023</b>	<b>350.49</b>	<b>350.49</b>
Additions	-	-
Interest on lease liabilities	28.66	28.66
Payments	(98.46)	(98.46)
<b>As at March 31, 2024</b>	<b>280.69</b>	<b>280.70</b>

### Breakup of current and non-current lease liabilities

Particulars	31-Mar-24	31-Mar-23
Current lease liabilities	103.30	98.45
Non-current lease liabilities	177.39	252.04

### 7 Intangible assets - Current Year

Block of Assets	Gross block								Net block	
	As at April 01, 2023	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2024	As at April 01, 2023	For the year	Deductions/ Adjustments	As at March 31, 2024	As at March 31, 2024	As at 31 March 2023
Computer Software	43.12	-	-	43.12	25.12	1.79	-	26.91	16.21	18.00
Technical Knowhow	54.22	-	-	54.22	44.26	2.25	-	46.51	7.71	9.96
<b>Total</b>	<b>97.34</b>	<b>-</b>	<b>-</b>	<b>97.34</b>	<b>69.38</b>	<b>4.04</b>	<b>-</b>	<b>73.42</b>	<b>23.92</b>	<b>27.96</b>

### Intangible assets - Previous Year

Block of Assets	Gross block				Depreciation				Net block	
	As at 1 April 2022	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2023	As at 1 April 2022	For the year	Deductions/ Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computer Software	43.12	-	-	43.12	23.33	1.79	-	25.12	18.00	19.79
Technical Knowhow	54.22	-	-	54.22	42.01	2.25	-	44.26	9.96	12.21
<b>Total</b>	<b>97.34</b>	<b>-</b>	<b>-</b>	<b>97.34</b>	<b>65.34</b>	<b>4.04</b>	<b>-</b>	<b>69.38</b>	<b>27.96</b>	<b>32.00</b>

8 Contract Assets (Non current)	As at 31 March 2024	As at 31 March 2023
Contract Assets (Refer 8.1 below)	16,713.70	8,278.88
Less: Provision for Expected Credit Loss	(6,413.25)	(926.98)
<b>Total</b>	<b>10,300.45</b>	<b>7,351.90</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

8.1 Non-Current Contract Assets include overdue balances of ₹ 6,959.44 lakhs as at March 31, 2024 (March 31, 2023 ₹ 7,351.90 lakhs), which are net of provisions of ₹ 926.98 lakhs as at March 31, 2024 (March 31, 2023: ₹926.98 lakhs). The above amount pertain to projects which have been stalled due to delays in obtaining approvals from the regulatory authorities. One of the customers in the said projects is undergoing liquidation process, in respect of which the Company is confident of recovering the dues based on the realisability of the assets available with the said customer. Further, considering the ongoing negotiations with the customers, the management of the Company is confident of recovering both these dues in full.

<b>9 Financial Assets- Investments (Non Current)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
<b>Investment in equity instruments (fully paid-up)</b>		
<b>A Investment in wholly owned Subsidiary carried at cost</b>		
1 Equity share (Previous year: 1 Equity share) of 150,000 AED in Shriram EPC (FZE)	24.26	24.26
<b>B Investment in Others - Equity investments at fair value through other comprehensive income (FVOCI) Quoted</b>		
386,526 Equity Shares (Previous year: 386,526 Equity Shares) of ₹ 10/- each fully paid up in Orient Green Power Company Limited	77.81	40.93
<b>Unquoted</b>		
4,076,474 Equity shares (Previous year: 4,076,474 Equity Shares) of ₹ 10/- each fully paid up in Leitwind Shriram Manufacturing Private Limited	407.56	407.56
Less: Provision for Diminution in value of Investments	(407.56)	(407.56)
	<b>77.81</b>	<b>40.93</b>
<b>Total ( A+B)</b>	<b>102.07</b>	<b>65.19</b>
<b>Aggregate book value of:</b>		
Quoted investments	77.81	40.93
Unquoted investments	24.26	24.26
<b>Aggregate Market value of:</b>		
Quoted investments	77.81	40.93
Unquoted investments	24.26	24.26
<b>Aggregate amount of impairment in value of Investments</b>	<b>407.56</b>	<b>407.56</b>

<b>10 Financial assets - Loans (Non current)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Unsecured, considered good		
Considered Good	752.35	10,968.55
Significant increase in credit risk	306.10	306.10
Less: Provision for Expected Credit Loss	(306.10)	(306.10)
Net amount	752.35	10,968.55
Less: Provision for Expected Credit Loss	(56.18)	(10,271.07)
<b>Total</b>	<b>696.17</b>	<b>697.48</b>

10.1 During the year ended March 31, 2023 loans amounting to ₹ 7,433.87 Lakhs has been taken over by SVL Limited (Erstwhile entity exercising significant influence over the Company). Also refer to Note 46.

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

11 Trade Receivables - (Non current) (Unsecured)	As at 31 March 2024	As at 31 March 2023
Trade Receivables - Retention Money		
Considered Good	16,480.83	18,086.74
Significant increase in credit risk	2,748.69	2,680.19
Less: Provision for Expected Credit Loss	(2,748.69)	(2,680.19)
	16,480.83	18,086.74
Trade Receivables		
Considered Good (refer note 11.1 below)	119.49	119.49
Significant increase in credit risk	321.70	322.16
Less: Provision for Expected Credit Loss	(321.70)	(322.16)
	119.49	119.49
<b>Total</b>	<b>16,600.32</b>	<b>18,206.23</b>

11.1 Trade receivable (Non –Current) includes an amount of ₹575.21 lakh, net of Provisions amounting to ₹82.99 lakhs as at March 31, 2024 ( March 31, 2023 ₹575.21 lakhs, net of Provisions amounting to ₹82.99 lakhs) from projects which are stalled due to delays in statutory approvals faced by the customer. Considering the ongoing negotiations with the customers', Management is confident of recovering the dues in full.

### 11A Trade receivables -Non Current-ageing schedule

31-03-2024

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	14,714.80	-	-	-	-		14,714.80
- Significant increase in credit risk	-	-		-	-	1,757.79	1,757.79
	<b>14,714.80</b>	-	-	-	-	<b>1,757.79</b>	<b>16,472.59</b>
Less: Provision for Expected Credit Loss							(1,757.79)
Sub total (a)							<b>14,714.80</b>
Disputed							
- Considered good	1,766.03	-	-	-	-	119.49	1,885.52
- Significant increase in credit risk	-	-	-	-	-	1,312.60	1,312.60
	<b>1,766.03</b>	-	-	-	-	<b>1,432.09</b>	<b>3,198.12</b>
Less: Provision for Expected Credit Loss							(1,312.60)
Sub total (b)	<b>1,766.03</b>	-	-	-	-	<b>1,432.09</b>	<b>1,885.52</b>
<b>Total (a) + (b)</b>							<b>16,600.32</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### 31-03-2023

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	16,386.49	-	-	-	-	-	16,386.49
- Significant increase in credit risk	-	-	-	-	-	2,011.45	2,011.45
	<b>16,386.49</b>	-	-	-	-	<b>2,011.45</b>	<b>18,397.94</b>
Less: Provision for Expected Credit Loss							(2,011.45)
Sub total (a)							<b>16,386.49</b>
Disputed							
- Considered good	1,700.25	-	-	-	-	119.49	1,819.74
- Significant increase in credit risk	-	-	-	-	-	990.90	990.90
	<b>1,700.25</b>	-	-	-	-	<b>1,110.39</b>	<b>2,810.64</b>
Less: Provision for Expected Credit Loss							(990.90)
Sub total (b)	<b>1,700.25</b>	-	-	-	-	<b>1,110.39</b>	<b>1,819.74</b>
<b>Total (a) + (b)</b>							<b>18,206.23</b>

<b>12 Other financial assets (Non current) (at amortised cost)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Deposits	1,163.33	1,163.36
Less: Provision for Expected Credit Losses	(132.86)	(132.86)
	<b>1,030.47</b>	<b>1,030.50</b>

<b>13 Deferred Tax Assets (Net)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Deferred Tax Assets (Net) (Refer Note 41)	40,323.55	40,323.55
	<b>40,323.55</b>	<b>40,323.55</b>

<b>14 Income Tax Assets (Net)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Advance Tax & Tax deducted at source (Net of Provision for Tax (March 31, 2024 ₹ 5,540.74 lakhs (March 31, 2023 ₹ 5,540.74 lakhs))	1,710.37	1,549.37
<b>Total</b>	<b>1,710.37</b>	<b>1,549.37</b>

<b>15 Contract assets</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Contract Assets (Refer Note 15.1 & Note 40)	91,975.82	78,215.17
Less: Provision for Expected Credit Loss	-	(4,968.58)
<b>Total</b>	<b>91,975.82</b>	<b>73,246.59</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

15.1 The above Contract Assets includes materials at project site amounting to ₹24,610.00 lakhs (Previous year March 31, 2023 ₹22,651.00 lakhs)

15.2 Movement in loss allowance is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance(Current & Non Current)	5,895.56	4,247.99
Additions / Transfer	-	4,968.58
Utilizations / Reversals	517.69	(3,321.01)
Closing balance(Current & Non Current)	<b>6,413.25</b>	<b>5,895.56</b>

16 Trade receivables	As at 31 March 2023	As at 31 March 2022
<b>Unsecured</b>		
-Considered good	13,791.55	16,987.40
-Significant increase in credit risk	9,595.75	9,301.61
Less: Provision for Expected Credit Loss	(9,595.75)	(9,301.61)
Trade Receivable - Retention monies		
-Considered good	9,091.78	7,253.70
-Considered doubtful	-	63.33
Less: Provision for doubtful debts	-	(63.33)
Net	<b>22,883.33</b>	<b>24,241.10</b>

**16.1** The average credit period allowed to customers is between 30 days to 60 days. The credit period is considered from the date of Invoice. Further, a specified amount of bill is held back by the customer as retention money, which is payable as per the credit period, from the date such retention becomes due. The retention monies held by customers become payable on completion of a specified milestone or after the Defect Liability Period of the project, which is normally 1 year after the completion of the project, as per terms of respective contract. No Interest is payable by the customers for the delay in payments of the amounts over due. The Company evaluates, the financial health, market reputation, credit rating of the customer, before entering into the contract. The company's customers comprise of public sector undertakings as well as private entities.

**16.2** Trade receivable include due from related parties amounting to ₹3,208.64 Lakhs (March 31, 2023- 5,170.48 Lakhs) Refer Note 46(C).

### Trade receivables ageing schedule

31-03-2024

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	12,063.46	2,314.59	1,250.01	2,175.21	1,948.87	1,672.30	21,424.44
- Significant increase in credit risk						9,251.15	9,251.15
	<b>12,063.46</b>	<b>2,314.59</b>	<b>1,250.01</b>	<b>2,175.21</b>	<b>1,948.87</b>	<b>10,923.45</b>	<b>30,675.59</b>
Less: Provision for Expected Credit Loss							<b>(9,251.15)</b>
Sub total (a)							<b>21,424.44</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Disputed							
- Considered good	-	-		1,434.63		24.26	1,458.89
- Significant increase in credit risk	-	-				344.60	344.60
	-	-	-	<b>1,434.63</b>	-	<b>368.86</b>	<b>1,803.49</b>
Less: Provision for Expected Credit Loss							<b>(344.60)</b>
Sub total (b)							<b>1,458.89</b>
<b>Total (a) + (b)</b>							<b>22,883.33</b>

### 31-03-2023

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	4,590.99	2,361.98	261.66	3,105.67	5,047.25	7,410.01	22,777.56
- Significant increase in credit risk	-	-		1,837.12	-	7,120.32	8,957.44
	<b>4,590.99</b>	<b>2,361.98</b>	<b>261.66</b>	<b>4,942.79</b>	<b>5,047.25</b>	<b>14,530.33</b>	<b>31,735.00</b>
Less: Provision for Expected Credit Loss							(8,957.44)
Sub total (a)							<b>22,777.56</b>
Disputed							
- Considered good	-	-	1,396.44		3.36	63.74	1,463.54
- Significant increase in credit risk	-	-	267.29	-	-	140.21	407.50
	-	-	<b>1,663.73</b>	-	<b>3.36</b>	<b>203.95</b>	<b>1,871.04</b>
Less: Provision for Expected Credit Loss							(407.50)
Sub total (b)							<b>1,463.54</b>
<b>Total (a) + (b)</b>							<b>24,241.10</b>

### Notes:

Movement in loss allowance is as follows: (Trade receivables- current and non current)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	12,367.29	11,645.10
Additions / Transfer	298.85	722.19
Utilizations / Reversals	-	-
Closing balance	12,666.14	12,367.29



## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

<b>17 Cash and bank balances</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
<b>Cash and cash equivalents</b>		
<b>Balances with banks</b>		
In current accounts	1,596.81	2,364.49
Margin Money (Original Maturity of less than 3 Months)	219.56	920.40
Cash on hand	0.96	2.90
<b>Total</b>	<b>1,817.33</b>	<b>3,287.79</b>

<b>18 Other Bank Balances</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Deposit Account (Original Maturity of 3 Months to 12 Months)	1,224.82	223.72
Margin Money (Original Maturity of 3 Months to 12 Months)	3,032.87	1,506.61
<b>Total</b>	<b>4,257.69</b>	<b>1,730.33</b>

<b>19 Other Current Financial assets (at amortised cost)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Security deposit	139.09	114.06
Less: Allowance for expected credit loss	(13.51)	(13.51)
Security deposit	125.58	100.55
Advances to Employees	69.65	42.63
Interest Receivable	38.95	22.82
<b>Total</b>	<b>234.18</b>	<b>166.00</b>

<b>20 Other current assets (unsecured, considered good unless otherwise stated)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance with Government Authorities	5,178.91	4,794.70
Prepaid Expenses	380.59	35.85
Other Advances	0.29	11.24
<b>Advances to Suppliers</b>		
- Considered good	6,048.00	5,755.25
- Significant increase in credit risk	1,640.30	1,640.30
Less: Provision for Expected Credit Loss	(1,640.30)	(1,640.30)
	6,048.00	5,755.25
<b>Total</b>	<b>11,607.79</b>	<b>10,597.04</b>

### **22 A. Equity Share capital**

<b>Particulars</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
<b>Authorized</b>		
1,750,000,000 (31 March 2023 1,400,000,000 ) Equity Shares of ₹ 10 each (Refer note a below)	1,75,000.00	1,40,000.00
	<b>1,75,000.00</b>	<b>1,40,000.00</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Issued, subscribed and paid up</b>		
1,409,813,633 (31 March 2023: 1,321,529,018) Equity shares of ₹ 10 each fully paid	1,40,981.36	1,32,152.90
	<b>1,40,981.36</b>	<b>1,32,152.90</b>

### B. Preference Share capital

The Company has preference share capital having a par value of ₹ 100 per share, referred to herein as preference share capital

	As at 31 March 2024	As at 31 March 2023
<b>Authorized</b>		
30,000,000 (31 March 2023: 30,000,000) Convertible Preference Shares of ₹ 100 each	30,000.00	30,000.00
<b>Total</b>	<b>30,000.00</b>	<b>30,000.00</b>

(a) Pursuant to the resolution of the members passed at the Extraordinary General Meeting held on March 08, 2024, the Authorised Share capital of the company has been increased from ₹1,40,000 lakhs (1,40,000,000 Equity Shares of ₹ 10/- each) to ₹ 1,75,000 lakhs (1,75,000,000 Equity Shares of ₹ 10/- each).

### (b) Reconciliation of Equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2024	As at 31 March 2023
	No of shares	No of shares
Outstanding at the beginning of the year	1,32,15,29,018	97,15,29,018
Add: Issued during the year (Refer note (g) & (h))	8,82,84,615	35,00,00,000
Outstanding at the end of the year	1,40,98,13,633	1,32,15,29,018

### (c) Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2024		As at 31 March 2023	
	No of shares	% holding	No of shares	% holding
<b>Equity Shares</b>				
Mark AB Capital Investments LLC ( Refer Note (d) Below)	35,00,00,000	24.82	35,00,00,000	26.48
SVL Limited	11,24,89,592	7.98	21,35,41,894	16.16
State Bank of India	-	-	12,56,34,843	9.51
Punjab National Bank	10,15,86,630	7.20	10,18,10,880	7.70
Central Bank of India	9,35,70,276	6.64	9,35,70,276	7.08

### (d) Details of shares held by Promoters

Name of Shareholder	As at 31 March 2024		As at 31 March 2023	
	No of shares	% holding	No of shares	% holding
Mark AB Capital Investments LLC	35,00,00,000	24.82	35,00,00,000	26.48
Mark AB Welfare Trust	3,01,46,361	2.14	6,07,49,462	4.60

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### (e) Terms/rights attached to the shares

The Company has issued equity shares having a par value of ₹ 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting rights.

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

The Company has only one class of share capital, i.e., equity shares having face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

### (f) Preferential issue of equity shares during past five years:

There is no Preferential issue of Equity during the year ended March 31, 2019, March 31, 2020, March 31, 2021, March 31, 2022 & March 31, 2024.

Preferential issue of equity shares during the previous year (2022-23):

Particulars	2022-23
	No. shares
Mark AB Capital Investments LLC	35,00,00,000

**g)** The Resolution Plan (RP) was implemented by the Company and Lenders, upon completion of compliance of all conditions precedent to the satisfaction of the consortium lenders and RP was effective from September 30, 2022, with change in Management as per the RP formulated under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 vide its circular dated June 07, 2019 ("the RBI Circular" / "Regulatory Framework"). Consequent to the implementation of resolution plan, Mark AB Capital Investment LLC, Dubai acquired 26.48% in equity of the Company.

During the year ended March 31, 2023, pursuant to the Resolution Plan, Company has received ₹35,000 Lakhs of equity and has allotted 35,00,00,000 equity shares of ₹ 10 each on preferential basis to Mark AB Capital Investment LLC, Dubai and shall be subject to lock-in for such period as may be prescribed under the ICDR Regulations. As at September 30, 2022 the Company has utilized the entire proceeds towards the intended purpose.

During the Year ended March 31, 2023, pursuant to the Resolution Plan, Company has issued 1,75,00,000 Compulsorily Convertible Debentures(CCD) of ₹100/- each and 1,75,00,000 Non-Convertible Debenture(NCD) of ₹100/- each aggregating to ₹ 35,000 Lakhs by way of conversion of existing loans of lenders. (Refer Note no 23.2)

**h)** During the year ended March 31, 2024, pursuant to the approval of the Board of Directors, the Company has made a rights issue of 8,82,84,615 Equity Shares. Out of this 4,99,00,000 Equity shares were issued at a par value of ₹10 per share and 3,83,84,615 Equity shares were issued at a premium of ₹3 per Share.

## 22 Other equity

(A) Other equity	As at 31 March 2024	As at 31 March 2023
Securities premium reserve (Refer Note (i) below)	1,92,376.97	1,91,225.43
General reserve (Refer Note (ii) below)	561.93	561.93
Capital Reserve (Refer Note (iii) below)	12.92	12.92
Deficit in the Statement of Profit and Loss(Refer Note (iv) below)	(2,13,382.14)	(2,15,649.27)
Re-measurement gains on defined benefit plans (Net of Tax)	154.48	103.58
Investments FVTOCI Reserve on equity instruments	33.60	(3.28)
<b>Total</b>	<b>(20,242.24)</b>	<b>(23,748.69)</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

<b>(i) Securities premium reserve</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening balance	1,91,225.43	1,91,225.43
Add : Securities premium credited on issue of shares	1,151.54	-
<b>Closing balance</b>	<b>1,92,376.97</b>	<b>1,91,225.43</b>

<b>(ii) General reserve</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening balance	561.93	561.93
Additions/(Transfers)	-	-
<b>Closing balance</b>	<b>561.93</b>	<b>561.93</b>

<b>(iii) Capital Reserve</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening balance	12.92	12.92
Additions/(Transfers)	-	-
<b>Closing balance</b>	<b>12.92</b>	<b>12.92</b>

<b>(iv) Deficit in the Statement of Profit and Loss</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening balance	(2,15,649.27)	(2,14,517.03)
Add: Net Profit / (loss) for the year	2,267.13	(1,132.24)
<b>Closing balance</b>	<b>(2,13,382.14)</b>	<b>(2,15,649.27)</b>

<b>(v) Investments FVTOCI Reserve on equity instruments</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening balance	(3.28)	8.51
-Fair valuation changes for the year	36.88	(11.79)
<b>Closing balance</b>	<b>33.60</b>	<b>(3.28)</b>

<b>(vi) Re-measurement gain on post employment benefit obligation (net of tax)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening Balance	103.58	159.96
Additions	50.90	(56.38)
<b>Closing Balance</b>	<b>154.48</b>	<b>103.58</b>

### Nature and Purpose of Reserves

#### Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

#### General Reserve

The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### Capital reserve

Capital reserve was created under the previous GAAP out of the profit earned from a specific transaction of capital nature. Capital reserve is not available for the distribution to the shareholders.

<b>23 Borrowings -Non-current (Secured, unless otherwise stated)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
<u>Secured - At Amortized Cost</u>		
<b>From Banks</b>		
Term Loans	1,078.26	1,397.99
Non Convertible debentures (NCD)	10,081.83	9,288.02
Compulsorily Convertible Debentures (CCD)	10,001.42	9,178.93
<b>From Others</b>		
Term Loans	755.10	799.98
Non Convertible debentures (NCD)	3,084.76	2,846.72
Compulsorily Convertible Debentures (CCD)	3,067.54	2,805.80
Unsecured Loan (Refer note 23.3 and 46)	1,771.33	299.20
<b>Total</b>	<b>29,840.24</b>	<b>26,616.64</b>

### 23.1 Terms of Repayment and Security details

<b>S.No</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>Terms of Repayment</b>
Term Loans from Banks**	1,078.26	1,397.99	67 Structured Monthly repayment commencing from Sept 2021 to March 2027
Non Convertible debentures (NCD) from Banks**	10,081.83	9,288.02	26 Structured Halfyearly repayment commencing from October 2022 to March 2035
Compulsorily Convertible Debentures(CCD) from Banks**	10,001.42	9,178.93	Fully Convertible on 31 <sup>st</sup> March 2035
Term Loans from Others**	95.18	140.00	48 Structured Monthly repayment commencing from April 2023 till March 2027
Term Loans from Others**	659.92	659.98	4 Equal Half yearly repayment commencing from September 2027 to March 2029
Non Convertible debentures(NCD) from Others**	3,084.76	2,846.72	26 Structured Halfyearly repayment commencing from October 2022 to March 2035
Compulsorily Convertible Debentures(CCD) from Others**	3,067.54	2,805.80	Fully Convertible on 31 <sup>st</sup> March 2035
Unsecured loan	1,771.33	299.20	Bullet repayment on 31-Dec-2035. The loan carries interest rate at 0.10% p.a payable half yearly from March 2023 till December 2035
<b>Total</b>	<b>29,840.24</b>	<b>26,616.64</b>	

#### Security

(\*\*) Primarily Secured by First Paripassu charge on Pooled Assets ie., all movable and immovable assets (fixed, current and non-current) of the company and Collaterally secured by Equitable Mortgage of Land and Buildings, Pledge of Equity Shares of the Company and Corporate Guarantee of MARK AB LLC Dubai, Mark AB Capital Investments India Private Limited. The

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Corporate Guarantees of SVL Ltd and SVL Trust gets released on March 31, 2024 upon completion of 18 months from the date of Resolution Plan, as there was no default for a consecutive period of 12 months as defined in RBI Circular dated 7<sup>th</sup> June 2019.

Rate of Interest- The interest rate is charged @ 9.00% p.a. w.e.f 1<sup>st</sup> October 2020

### 23.2 Implementation of Resolution Plan

The Resolution Plan (RP) for restructuring of the debt, submitted to the lenders, under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 issued by Reserve Bank of India vide its circular dated June 7, 2019 (the "RBI Circular"), was approved by the consortium lenders and implemented on 30<sup>th</sup> September 2022.

The key features of the Resolution Plan are as follows:

1. Equity Infusion by Prospective Investor – Minimum of ₹ 35,000 Lakhs. Preferential Issue of Equity Shares subject to the pricing as per the SEBI (ICDR) Regulations 2015 to the Investor for 26.4% stake in the Company.
2. Conversion of a part of the existing bank debts into ₹ 17,500 Lakhs of Non-Convertible Debentures (NCD) and ₹ 17,500 Lakhs of Compulsory Convertible Debenture (CCD).
3. Charging rate of interest @ 9.00% p.a. w.e.f 1<sup>st</sup> October 2020.
4. Banks to allow utilization of vacancy in Non-Fund Based Facilities and Fund based limits already sanctioned and available to the Company, post implementation of the plan.
5. Prospective Investor to provide Corporate Guarantee to lenders for entire facilities in lieu of Corporate Guarantees of SVL Ltd and SVL Trust. However, the Corporate Guarantees of SVL Ltd and SVL Trust shall be released on March 31, 2024 on compliance of the stipulation that after 18 months from the date of RP, if there are no default for a consecutive period of 12 months as defined in RBI Circular dated 7<sup>th</sup> June 2019.
6. Continuation of Margin of 15% on stock and book debts and cover period of 270 days for receivable.

The Company has accounted for the CCD and NCD as per IND AS 109- Financial Instruments

The CCD and NCD have been classified as financial liability as there is contractual obligation to deliver cash over a period of 14 years in terms of repayment of principal and interest. CCD and NCD are initially recognised at amortised cost using the effective interest method at 9.00%. The resultant gain or loss at initial recognition is recognised as exceptional gain in the statement of profit and loss. (Also refer Note no 40)

**23.3** During the year ended March 31, 2024, the Company has obtained unsecured loan from a related party amounting to ₹4,000 Lakhs( March 31, 2023 ₹900 lakhs). The terms of repayment is bullet repayment of principal on 31-December-2035. The loan carries interest rate at 0.10% per annum payable half yearly from March 2024 till December 2035. The said loan has been recognised at amortised cost and the resultant gain on initial recognition is credited to other income in the statement of profit and loss under INDAS 109-Financial Instruments. (Also refer note 34)

**23.4** The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.

**23.5** The Company has utilised the funds as per the terms of the Borrowings.

<b>24 Other financial liabilities</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Sundry Creditors- Retention	3,847.21	4,024.26
<b>Total</b>	<b>3,847.21</b>	<b>4,024.26</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### Sundry Creditors - Retention

**As on 31-03-2024**

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	3,847.21	-	-	-	-	3,847.21
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>3,847.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,847.21</b>

**As on 31-03-2023**

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	4,024.26	-	-	-	-	4,024.26
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>4,024.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,024.26</b>

25 Long Term Provisions	As at 31 March 2024	As at 31 March 2023
Provision for gratuity ( Refer Note 44)	431.78	479.77
Provision for Compensated Absences( Refer Note 44)	302.37	110.55
<b>Total</b>	<b>734.15</b>	<b>590.32</b>

26 Other non-current liabilities	As at 31 March 2024	As at 31 March 2023
Contract Liabilities		
Advance from Customers	4,552.49	2,078.30
<b>Total</b>	<b>4,552.49</b>	<b>2,078.30</b>

27 Short -term borrowings (Secured unless otherwise stated)	As at 31 March 2024	As at 31 March 2023
<b>From bank</b>		
- Cash Credit and Overdraft facilities	6,538.43	7,952.75
- Working Capital Demand Loans	8,363.99	5,129.28
Current Maturities	312.00	156.00
Non Convertible debentures(NCD)	67.02	83.37
<b>From Financial Institutions</b>		
-Cash Credit and Overdraft facilities	-	264.78



## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

27 Short -term borrowings (Secured unless otherwise stated)	As at 31 March 2024	As at 31 March 2023
Current Maturities	28.01	-
Non Convertible debentures(NCD)	20.48	21.20
From others (Unsecured)	43.73	359.20
<b>Total</b>	<b>15,373.66</b>	<b>13,966.58</b>

**27.1** Primarily Secured by First Paripassu charge on Pooled Assets ie., all movable and immovable assets (fixed, current and non-current) of the company and Collaterally secured by Equitable Mortgage of Land and Buildings, Pledge of Equity Shares of the Company and Corporate Guarantee of MARK AB LLC Dubai, Mark AB Capital Investments India Private Limited. The Corporate Guarantees of SVL Ltd and SVL Trust gets released on March 31, 2024 upon completion of 18 months from the date of Resolution Plan , as there was no default for a consecutive period of 12 months as defined in RBI Circular dated 7<sup>th</sup> June 2019.

**27.2** The quarterly statements filed by the Company with the banks and financial institutions are in agreement with the books of accounts.

**27.3** The Company has utilised the funds as per the terms of the Borrowings. Also, the Company has not used funds raised on short term basis for long term purpose.

**27.4** Rate of Interest- The interest rate is charged @ 9.00% p.a. w.e.f 1<sup>st</sup> October 2020

### Net Debt Reconciliation

Particulars	As at 31 March 2024	As at 31 March 2023
Cash & Cash equivalents	1,817.33	3,287.79
Non Current Borrowings	(29,840.24)	(26,616.64)
Current Borrowings	(15,373.66)	(13,966.58)
<b>Net Debt</b>	<b>(43,396.57)</b>	<b>(37,295.43)</b>

Particulars	Cash & Cash equivalents	Non Current Borrowings	Current Borrowings	Total
<b>Net Debt as on 1<sup>st</sup> April, 2022</b>	<b>548.27</b>	<b>(15,364.47)</b>	<b>(82,462.97)</b>	<b>(97,279.17)</b>
Cash Flows	2,739.52	-	-	2,739.52
Proceeds from availments	-	(16,488.98)	(359.20)	(16,848.18)
Repayments	-	-	48,247.99	48,247.99
Gain on restructuring/ fair value	-	-	20,248.40	20,248.40
Interest paid/ accrued	-	5,236.81	359.19	5,596.00
<b>Net Debt as on 1<sup>st</sup> April, 2023</b>	<b>3,287.79</b>	<b>(26,616.64)</b>	<b>(13,966.58)</b>	<b>(37,295.43)</b>
Cash Flows	(1,470.46)	-	-	(1,470.46)
Proceeds from availments	-	(4,000.00)	(1,407.08)	(5,407.08)
Repayments	-	436.47	-	436.47
Gain on restructuring/ fair value	-	2,607.07	-	2,607.07
Interest paid/accrued	-	(2,267.14)	-	(2,267.14)
<b>Net Debt as on 31<sup>st</sup> March, 2024</b>	<b>1,817.33</b>	<b>(29,840.24)</b>	<b>(15,373.66)</b>	<b>(43,396.57)</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

28 Trade payables	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of creditors to micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	8,429.51	9,605.31
Trade Payables	13,559.59	14,822.55
<b>Total</b>	<b>21,989.10</b>	<b>24,427.86</b>

28.1 The average credit period ranges from 30 days to 90 days, depending on the nature of the item or work. The work orders include element of retention, which would be payable on completion of a milestone, completion of the contract or after a specified period from completion of the work. The terms also would include back to back arrangement wherein, certain amounts are payable on realisation of corresponding amounts by the company from the customer. No interest is payable for delay in payments, unless otherwise specifically agreed in the order or as required by a legislation, like Micro, Small and Medium Enterprises Development Act ("MSMED Act"). The company has a well defined process for ensuring regular payments to the vendors.

28.2 Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Amount remaining unpaid to any supplier at the end of each accounting year: Principal & Interest	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

### 28A Ageing Trade payable ageing

As on 31-03-2024

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	13,318.62	4,467.49	778.80	1,882.03	1,508.86	21,955.80
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	4.53	1.29	-	-	27.48	33.30
<b>Total</b>	<b>13,323.15</b>	<b>4,468.78</b>	<b>778.80</b>	<b>1,882.03</b>	<b>1,536.34</b>	<b>21,989.10</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

As on 31-03-2023

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	14,708.23	2,392.31	4,180.38	711.43	2,156.83	24,149.18
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others			32.09	234.93	11.66	278.68
<b>Total</b>	<b>14,708.23</b>	<b>2,392.31</b>	<b>4,212.47</b>	<b>946.36</b>	<b>2,168.49</b>	<b>24,427.86</b>

29 Other financial liabilities (at amortised cost)	As at 31 March 2024	As at 31 March 2023
Other payables*	4,755.63	1,621.56
<b>Total</b>	<b>4,755.63</b>	<b>1,621.56</b>

\*included employee dues and other routine payable for expenses

30 Other current liabilities	As at 31 March 2024	As at 31 March 2023
Statutory dues payable	83.46	223.27
Advance Billing	105.25	222.68
<b>Total</b>	<b>188.71</b>	<b>445.95</b>

31 Contract Liabilities	As at 31 March 2024	As at 31 March 2023
Advance from customers	4,280.94	3,432.75
<b>Total</b>	<b>4,280.94</b>	<b>3,432.75</b>

32 Short Term Provisions	As at 31 March 2024	As at 31 March 2023
Provision for gratuity (Refer Note 44)	29.32	21.02
Provision for Compensated Absences(Refer Note 44)	24.65	136.28
<b>Total</b>	<b>53.97</b>	<b>157.30</b>

33 Revenue from operations	2023-24	2022-23
Revenue from Engineering and Construction Contracts	56,098.28	37,884.66
<b>Total</b>	<b>56,098.28</b>	<b>37,884.66</b>

33.1 Unsatisfied performance obligation: Management expects that the transaction price allocated to partially or fully unsatisfied performance obligation of ₹ 95,500 lakhs (Order book value) (March 31, 2023: ₹ 1,10,900 Lakhs) will be recognised as revenue over the project life cycle.

33.2 The total revenue recognised under Ind AS 115 during the year is recognised over a period of time.

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

33.3 Details for revenue from major customers :

Name of the customer	2023-24	2022-23
Customer 1	24%	25%
Customer 2	15%	11%
Customer 3	10%	10%

34 Other income	2023-24	2022-23
Interest income		
- Margin Money deposits	202.33	283.42
- Income tax refund	-	29.30
Gain on initial recognition of unsecured loan	2,607.07	613.58
Liabilities written back	1,500.28	119.80
Profit on Sale of asset	4.66	-
Miscellaneous income	243.30	163.20
<b>Total</b>	<b>4,557.64</b>	<b>1,209.30</b>

35 Erection, Construction & Operation Expenses	2023-24	2022-23
Cost of Materials and Labour	44,225.83	30,507.81
Other Contract Related Costs	2,445.93	1,344.34
<b>Total</b>	<b>46,671.76</b>	<b>31,852.15</b>

36 Employee benefits expense	2023-24	2022-23
Salaries,wages,bonus and other allowances	2,909.80	3,015.39
Contribution to Provident and Other funds	183.27	197.91
Contribution to Gratuity (Refer Note 44)	79.45	76.35
Staff welfare expenses	52.46	45.81
<b>Total</b>	<b>3,224.98</b>	<b>3,335.46</b>

37 Finance costs	2023-24	2022-23
Interest on Cash Credits*	1,007.23	2,993.93
Interest on Term Loans *	192.91	715.09
Interest on CCD, NCD	35.56	54.07
Interest - Others	906.32	392.20
Interest on financial liabilities measured at Effective interest rates (INDAS)	2,267.13	1,854.51
Interest on Lease Liabilities	28.66	29.06
<b>Total</b>	<b>4,437.81</b>	<b>6,038.86</b>

\*Consequent to implementation of resolution plan, Interest waiver (July'22 – September'22) of ₹ 2,176 Lakhs has been adjusted against Finance cost for the year ended March 31, 2023.

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

<b>38 Depreciation and amortization expense</b>	<b>2023-24</b>	<b>2022-23</b>
Depreciation on Property, Plant and Equipment (Refer note 6A)	447.10	546.81
Amortization of Intangible Assets (Refer note 7)	4.04	4.04
Amortization of Right to use assets (Refer note 6B)	80.78	63.77
<b>Total</b>	<b>531.92</b>	<b>614.62</b>

<b>39 Other expenses</b>	<b>2023-24</b>	<b>2022-23</b>
Electricity and water	150.42	521.29
Rates and taxes	370.20	233.65
Rent	67.33	68.86
Repairs and Maintenance:		
Building	21.35	12.07
Plant and Machinery, Equipments	18.01	39.53
Others	16.07	12.94
Auditors' Remuneration (Refer Note 39.1)	49.43	47.63
Bank Charges, Letter of Credit / Guarantee charges	735.77	699.19
Travel and conveyance	373.82	334.46
Insurance premium	162.93	125.22
Printing & Stationery	26.72	16.31
Communication, broadband and internet expenses	24.96	21.86
Sitting Fees	12.15	11.70
Consultancy charges	678.61	366.57
Legal Expenses	154.27	172.32
Advertisement	10.38	46.48
Provision for expected credit loss on trade receivables	298.85	722.19
Bad Debts (Net of write off of expected credit loss- March 31, 2024- ₹10,214.89 Lakhs, March 31, 2023- ₹Nil)	0.71	1.61
Company's share in Loss of Integrated Joint Ventures	-	10.36
Donation	0.13	0.14
Provision for expected credit loss on Contract Assets	-	4,968.59
Loss on Sale of Property, plant and equipment	-	336.27
Others	350.22	409.05
<b>Total</b>	<b>3,522.32</b>	<b>9,178.29</b>

### 39.1 The following is the break-up of Auditors remuneration (exclusive of GST)

<b>As auditor:</b>	<b>2023-24</b>	<b>2022-23</b>
Statutory audit	27.00	27.00
Other matters	20.50	20.54
Reimbursement of expenses	1.93	0.09
<b>Total</b>	<b>49.43</b>	<b>47.63</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

<b>40 Exceptional Items-(income)/ expense</b>	<b>2022-23</b>	<b>2021-22</b>
Gain on Debt restructuring (Refer Note 23.2)	-	(19,634.82)
Contract assets written off	-	5,819.69
<b>Total</b>	-	<b>(13,815.13)</b>

- 40.1 (i) Year ended March 31, 2023 includes an amount of ₹ 19,634.82 Lakhs 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) During the year ended March 31, 2023, contract assets amounting to ₹5,819.69 lakhs was written off, in respect of projects stopped by the client consequent to an order of the National Green Tribunal restraining the client from proceeding with the project and on account of wrongful termination of a contract and consequent legal disputes / arbitration proceedings initiated during the year in respect of projects with the customers.

### 41 Income Tax

(A) Components of Deferred Tax Assets and Liabilities recognised in Balance Sheet:

**March 31, 2024**

Particulars	Balance as at April 1, 2023	Recognized in profit or loss during 2023-24	Recognized in OCI during 2023-24	Balance as at March 31, 2024
<b>Deferred tax assets</b>				
Expenditure allowed on payment basis for Income tax purpose	261.23	14.15	-	275.38
Impairment loss on Financial Assets and Contract Assets	5,167.95	2,243.83	-	7,411.78
Deferred tax asset on account of unabsorbed losses and depreciation allowance (Refer Note- 41 (B))	35,409.62	(2,369.80)	-	33,039.82
	<b>40,838.80</b>	<b>(111.82)</b>	-	<b>40,726.98</b>
<b>Deferred tax liabilities</b>				
On Property, Plant and Equipment	515.25	(111.82)	-	403.43
On Others	-	-	-	-
	<b>515.25</b>	<b>(111.82)</b>	-	<b>403.43</b>
<b>Deferred tax asset, net</b>	<b>40,323.55</b>	<b>(0.00)</b>	-	<b>40,323.55</b>

- (B) The Company has business losses which are allowed to be carried forward and set off against available future taxable profits under the Income Tax Act, 1961, in respect of which the Company has created Deferred Tax Assets ("DTA"). The Company has recognised DTA on the carry forward unabsorbed business losses only to the extent of ₹88,343.94 lakhs (March 31, 2023: ₹1,11,216.10 lakhs) out of the total carry forward losses of ₹1,04,486.51 lakhs that was available as at March 31, 2024 (March 31, 2023- ₹1,37,510.14 lakhs). The DTA amount recognised by the Company on these carry forward unabsorbed business losses amounts to ₹ 30,870.91 lakhs as at March 31, 2024 (March 31, 2023 - ₹ 33,289.92 lakhs). Considering the potential order book as on date, the expected reduction in finance cost in the light of implementation of resolution plan with its lenders, the current projects in the pipeline and a positive future outlook for the Company, the management of the Company is confident of generating sufficient taxable profits in the future and adjust them against these unabsorbed business losses, and accordingly, the entire DTA can be utilised before the expiry of the period for which this benefit is available.

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### (C) March 31, 2023

Particulars	Balance as at April 1, 2022	Recognized in profit or loss during 2022-23	Recognized in OCI during 2022-23	Balance as at March 31, 2023
<b>Deferred tax assets</b>				
Expenditure allowed on payment basis for Income tax purpose	365.17	(103.94)	-	261.23
Impairment loss on Financial Assets and Contract Assets	3,912.73	1,255.22	-	5,167.95
Deferred tax asset on account of unabsorbed losses and depreciation allowance (Refer Note- 41 (D))	39,645.00	(4,235.38)	-	35,409.62
	<b>43,922.90</b>	<b>(3,084.10)</b>	-	<b>40,838.80</b>
<b>Deferred tax liabilities</b>				
On Property, Plant and Equipment	577.40	(62.15)	-	515.25
On Others	-			
	<b>577.40</b>	<b>(62.15)</b>	-	<b>515.25</b>
<b>Deferred tax asset, net</b>	<b>43,345.50</b>	<b>(3,021.95)</b>	-	<b>40,323.55</b>

(D) 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 ₹ 1,37,510.14 lakhs, the Company has recognised Deferred Tax Asset (DTA) on a carry forward loss of ₹ 1,11,216.10 lakhs in an earlier year resulting in DTA of ₹ 33,289.92 lakhs (March 31, 2022 - ₹ 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.

(E) Components of Tax	2023-24	2022-23
Current Tax	-	-
Deferred Tax	-	(3,021.95)
<b>Total</b>	-	(3,021.95)

(F) Reconciliation of tax charge	2023-24	2022-23
<b>(a) Profit/(Loss) before tax</b>	<b>2,267.13</b>	<b>1,889.71</b>
(b) Corporate Tax Rate as per Income Tax Act, 1961	34.94%	34.94%
<b>(c) Tax on Accounting Profit/(loss)</b>	<b>792.22</b>	<b>660.34</b>
	(c) = (a) * (b)	

(d) Tax adjustments	2023-24	2022-23
(i) Tax on Non-deductible item for tax purpose	-	-
(ii) Tax effect on expiry of carry forward losses	(2,369.80)	(2,738.79)
(iii) Tax effect of losses of current year on which no deferred tax benefit is recognised	1,896.17	-
(iv) Tax effect on utilisation of carry forward losses		(1,496.60)
(iv) Tax effect of various other items	1,265.85	1,873.78
<b>Total effect of Tax Adjustments</b>	<b>792.22</b>	<b>(2,361.61)</b>
<b>(e) Tax expenses recognised during the year</b>	<b>-</b>	<b>(3,021.95)</b>
	(e) = (d) - (c)	



## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

(G) 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.

### (H) Unrecognised deductible temporary differences, unused tax losses

Particulars	2023-24	2022-23
- Unused tax losses	16,142.57	6,201.00
<b>Total</b>	<b>16,142.57</b>	<b>6,201.00</b>

1

Expiry period	Unused Tax Loss (₹ Lakhs)
2024-25 to 2029-30	16,142.57

2 The Company has business loss which are allowed to be carried forward and set off against the available future taxable income under Income Tax Act, 1961. No Deferred Tax asset has been recognised on this considering no reasonable certainty.

### 42 Basic and Diluted Earnings Per Share (EPS) computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share":

Particulars		Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Basic EPS</b>			
Profit/ (Loss) after Tax as per Accounts (₹ lakhs)	A	2,267.13	(1,132.24)
Weighted Average Number of Equity Shares Outstanding	B	13,770.61	12,240.86
<b>Basic EPS (₹)</b>	<b>A/B</b>	<b>0.16</b>	<b>(0.09)</b>
<b>Diluted EPS</b>			
Profit/ (Loss) after Tax as per Accounts (₹ lakhs)		2,267.13	(1,132.24)
Add: Interest cost on CCD		1,102.44	777.12
Profit/ (Loss) after Tax as per Accounts (₹ lakhs) for diluted EPS	A	3,369.56	(355.13)
Weighted Average Number of Equity Shares Outstanding		13,770.61	12,240.86
Weighted Average Number of shares upon conversion of CCD		175.00	125.81
Weighted Average Number of Equity Shares Outstanding for Diluted EPS	B	13,945.61	12,366.67
<b>Diluted EPS* (₹)</b>	<b>A/B*</b>	<b>0.16</b>	<b>(0.09)</b>

\*Since the earnings / (loss) per share computation based on diluted weighted average number of shares is antidilutive, the basic and diluted earnings / (loss) per share is the same

### 43 Disclosures pursuant to EPC Contracts:

S. No	Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
1	Contract revenue recognised for the financial year	56,098.28	37,884.66
2	Aggregate amount of Contract costs incurred and recognized profits (less recognized losses) upto the reporting date	46,671.76	31,852.15
3	Advances received for contracts in progress	8,833.43	5,511.05

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

S. No	Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
4	Retention amount by customers for contracts in progress	28,321.30	28,020.63
5	Gross amount due from customers for contract work (Asset)	1,02,276.27	80,598.49
6	Gross amount due to customers for contract work (Liability)	105.25	222.68

### 44 Disclosure pursuant to Ind AS 19 "Employee Benefits"

#### (A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss	2022-23	2021-22
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 36)	183.27	197.91

#### (B) Defined benefit plans (Unfunded)

##### Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Investment Risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Interest risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Salary Escalation Risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic Risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

In respect of the plan in India, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at March 31, 2024 by Mr. Jayaraman, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

No other post-retirement benefits are provided to these employees.

i) Actuarial assumptions	2023-24	2022-23
Discount rate (per annum)	7.21%	7.20%
Rate of increase in Salary	5%	5%
Expected average remaining working lives of employees (years)	13.90	12.70
Attrition rate	3.00%	3.00%

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### ii) Changes in the present value of defined benefit obligation

	Gratuity		Long Term Compensated Absences	
	2023-24	2022-23	2023-24	2022-23
<b>Present value of obligation at the beginning of the year</b>	500.79	564.20	246.83	480.83
Interest cost	33.60	33.93	16.69	32.26
Past service cost				
Current service cost	45.85	42.42	34.25	139.01
Curtailments				
Settlements				
Benefits paid	(68.24)	(196.14)	(30.17)	(75.43)
Actuarial gain on obligations	(50.90)	56.38	59.42	(329.84)
<b>Present value of obligation at the end of the year*</b>	<b>461.10</b>	<b>500.79</b>	<b>327.02</b>	<b>246.83</b>

\*Included in provision for employee benefits (Refer notes 25 and 36)

### iii) Expense recognized in the Statement of Profit and Loss

	Gratuity		Long Term Compensated Absences	
	2023-24	2022-23	2023-24	2022-23
Current service cost	45.85	42.42	34.25	139.01
Past service cost				
Interest cost	33.60	33.93	16.69	32.26
Expected return on plan assets				
Actuarial gain on obligations	(50.90)	56.38	59.42	(329.84)
Settlements				
Curtailments				
<b>Total expenses recognized in the Statement Profit and Loss</b>	<b>79.45</b>	<b>76.35</b>	<b>110.36</b>	<b>(158.57)</b>
<b>Total expenses recognized in OCI</b>	<b>(50.90)</b>	<b>56.38</b>		

### iv) Assets and liabilities recognized in the Balance Sheet:

	Gratuity		Long Term Compensated Absences	
	2023-24	2022-23	2023-24	2022-23
Present value of unfunded obligation as at the end of the year	(461.10)	(500.79)	(327.02)	(246.83)
Unrecognized actuarial (gains)/losses	-	-	-	-
<b>Unfunded net liability recognized in Balance Sheet*</b>	<b>(461.10)</b>	<b>(500.79)</b>	<b>(327.02)</b>	<b>(246.83)</b>

\*Included in provision for employee benefits (Refer notes 25 and 36)

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

v) A quantitative sensitivity analysis for significant assumption as at 31 March 2024 is as shown below:

Impact on defined benefit obligation	2023-24	2022-23
Discount rate		
0.5% increase	(3.38%)	(3.08%)
0.5% decrease	3.80%	3.27%
Rate of increase in salary		
0.5% increase	3.60%	3.27%
0.5% decrease	(3.50%)	(3.08%)

vi) Maturity profile of defined benefit obligation Period	2022-23	2021-22
By the end of the First Year	29.32	105.03
Between Year 1 and Year 2	89.79	70.24
Between Year 2 and Year 3	64.51	20.37
Between Year 3 and Year 4	126.58	42.28
Between Year 4 and Year 5	134.34	76.82
Between Year 5 and Year 10	881.71	285.78

### 45 Disclosure in respect of leases pursuant to Indian Accounting Standard (Ind AS) 116, "Leases"

(A) Finance leases where Company is a lessee:

The following is the summary of practical expedients elected on application:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

The Company has lease contracts for its head office building and furniture and fixtures. lessee is restricted from assigning and subleasing the leased assets. The Company applies the "short term Lease" and "lease of Low value assets" recognition exemptions for these leases.

The effective interest rate for lease liabilities is 9%.

Maturity analysis of lease liabilities

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Within one year	103.30	98.45
After one year but not more than five years	137.32	163.30
More than five years	40.34	88.74

Amounts recognised in the Statement of Profit and Loss:

Particulars	As at 31 March 2024	As at 31 March 2023
Amortization expense of right-of-use assets	80.78	63.77
Interest expense on lease liabilities	28.66	29.06
Expense relating to short-term leases (included in other expenses)	67.33	68.86
<b>Total amount recognised in statement profit or loss</b>	<b>176.77</b>	<b>161.69</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### Amounts recognised in statement of Cash Flows:

Particulars	As at 31 March 2024	As at 31 March 2023
Total Cash outflow for leases	98.46	58.19

### 46 Disclosure of Related Parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

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

##### Entities exercising significant influence over the Company

Mark AB Capital Investment LLC (Effective from 24<sup>th</sup> September 2022)

SVL limited (upto 23<sup>rd</sup> September 2022)

##### Subsidiary

Shriram EPC FZE, Sharjah

##### Step Down Subsidiary

Shriram EPC Arkan LLC

##### Subsidiary of Entities exercising significant influence over the Company

Mark AB Capital Investment India Private Limited(Effective from 24<sup>th</sup> September 2022)

##### Key management personnel

N K Suryanarayanan- Managing Director( effective from 24<sup>th</sup> September 2022)

T.Shivaraman - Managing Director (upto 19<sup>th</sup> September 2022)

M. Amjad Shariff - Joint Managing Director (Upto 19<sup>th</sup> September 2022)

Mr. R S Chandrasekharan- Chief Financial Officer

Mr. T.Sriraman- Company Secretary

Mr. Abdulla Mohammad Ibrahim Hassan Abdull- Chairman

Dr. Ravichandran Rajagopalan- Independent Director

Dr. Arun Kumar Gopaldaswamy- Independent Director

Mr.Rajesh Kumar Bansal-Independent Director

Ms. Sundaram Gayathri-Independent Director

Mr.P.D Karandikar-Independent Director (Resigned with effect from 22<sup>nd</sup> September, 2022)

Mr.S. Babu-Non executive Director (Resigned with effect from 22<sup>nd</sup> September, 2022)

Ms.Chandra Ramesh- Independent Director (Resigned with effect from 23<sup>rd</sup> September, 2022)

Mr.K.S. Sripathi- Independent Director (Resigned with effect from 23<sup>rd</sup> September, 2022)

##### Joint Operations

Larsen & Toubro Limited Shriram EPC JV

Mokul Shriram EPC JV

Shriram EPC Eurotech Environmental Pvt Ltd - JV

SEPC DRS ITPL JV

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

	2023-24	2022-23
<b>(i) Entites exercising significant influence over the Company</b>		
<b>Mark AB Capital Investment LLC (effective from 24<sup>th</sup> September 2022)</b>		
Amount invested as Equity	-	35,000.00
<b>SVL Ltd (upto 23<sup>rd</sup> September 2022)</b>		
Transfer of Advances / Receivables	-	7,433.87

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

	2023-24	2022-23
<b>(ii) Subsidiary of Entites exercising significant influence over the Company( Effective from 24<sup>th</sup> September 2022)</b>		
MARK AB Capital Investment India Private Limited( Effective from 24 <sup>th</sup> September 2022)	4,000.00	900.00
Funds Received		
<b>(iii) Subsidiary</b>		
Shriram EPC FZE, Sharjah		
Funds Received	-	700.00
<b>(iv) Key Management Personnel (KMP)</b>		
Compensation of key management personnel #	161.61	318.12
Loan given to key management personnel	35.00	-
Sitting fees paid to Independent & Non executive Directors	12.15	11.70
# Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.		
<b>(vi) Joint Operations</b>		
<b>(a) Larsen &amp; Toubro Limited Shriram EPC JV</b>		
Company's share in Loss of Integrated Joint Ventures	-	10.36
<b>(b) Shriram EPC Eurotech Environmental Pvt Ltd - JV</b>		
Progressive Billings/ Revenue	34.13	121.00
<b>(c) SEPC DRS ITPL JV</b>		
Progressive Billings/ Revenue	301.35	102.00

All transactions with related parties are conducted at arm's length price under normal terms of business and all amounts outstanding are unsecured and will be settled in cash.

### (C) Amount due (to)/from related party as on:

(i) Particulars	2023-24	2022-23
<b>Borrowings:</b>		
MARK AB Capital Investment India Private Limited (Effective from 24 <sup>th</sup> September 2022)	4,900.00	900.00
<b>Payables:</b>		
Larsen & Toubro Limited Shriram EPC JV	0.09	0.90
<b>Receivables:</b>		
Shriram EPC FZE, Sharjah	1,532.97	1,534.82
Mokul Shriram EPC JV	1,675.67	1,669.28

### 47 Disclosure pursuant to Ind AS 1 "Presentation of Financial Statements"

#### (A) Current Assets expected to be recovered within twelve months and after twelve months from the reporting date

	As at March 31, 2024			As at March 31, 2023		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Trade Receivables - Note 16	22,883.33	-	22,883.33	24,241.10	-	24,241.10
Other Current Financial Assets - Note 19	234.18	-	234.18	166.00	-	166.00

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### (B) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date

	As at March 31, 2024			As at March 31, 2023		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Acceptances - Note 28	8,429.51	-	8,429.51	9,605.31	-	9,605.31
Trade and Other Payables - Note 28	13,559.59	-	13,559.59	14,822.55	-	14,822.55
Other Current Financial Liabilities - Note 29	4,755.63	-	4,755.63	1,621.56	-	1,621.56

### 48 Segment reporting

The Chief Operating Decision Maker (CODM) reviews the operations of the Company for the year ended March 31, 2024 as one operating segment being Construction Contracts. Hence no separate primary segment information has been furnished herewith as required by Ind AS 108, "Operating segment". However, Geographical Segments being secondary segments are disclosed below :

Particulars	31-Mar-24	31-Mar-23
<b>Rest of the World</b>		
Revenue	4,061.37	-
Assets	4,162.47	2,937.85
<b>India</b>		
Revenue	52,036.91	37,884.66
Assets	2,02,473.44	1,83,178.37
Capital Expenditure	5.38	13.91

### 49 Expenditure in Foreign Currency

Particulars	31-Mar-24	31-Mar-23
Professional & Consultancy Fees	2.93	19.29
Material Consumed in Execution of Engineering Contracts	722.77	-
Erection ,Construction & Operation Expenses	3,388.78	32.02
Travelling & Conveyance	0.39	4.68
Others	5.82	12.38
<b>Total</b>	<b>4,120.69</b>	<b>68.37</b>

### 50 Fair Value Measurement

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

#### 31-Mar-24

Particulars	Note	Carrying Amount					Fair Value			
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Investments at Fair Value thorough Other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
<b>Assets</b>										
<b>Financial Assets Measured at Fair Value</b>										
Investments	9	-	-	-	77.81	77.81	77.81	-	-	77.81



## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Note	Carrying Amount				Fair Value				
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Investments at Fair Value through Other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
<b>Financial Assets not Measured at Fair Value*</b>						-				
Investments	9	24.26	-	-		24.26	-	-	-	-
Loans	10	696.17	-	-		696.17	-	-	-	-
Trade Receivables	11 & 16	39,483.65	-	-		39,483.65	-	-	-	-
Cash and Cash Equivalents	17	1,817.33	-	-		1,817.33	-	-	-	-
Other Bank balances	18	4,257.69	-	-		4,257.69	-	-	-	-
Other financial assets	12 & 19	1,264.65	-	-		1,264.65	-	-	-	-
<b>Total</b>		<b>47,543.73</b>	-	-	<b>77.81</b>	<b>47,621.54</b>	<b>77.81</b>	-	-	<b>77.81</b>
<b>Liabilities</b>										
<b>Financial Liabilities not Measured at Fair Value*</b>										
Non Current Borrowings	23	-	-	29,840.24		29,840.24	-	-	-	-
Current Borrowings	27	-	-	15,373.66		15,373.66	-	-	-	-
Trade payables	28	-	-	21,989.10		21,989.10	-	-	-	-
Other financial liabilities	24 & 29	-	-	8,602.84		8,602.84	-	-	-	-
<b>Total</b>		-	-	<b>75,805.84</b>		<b>75,805.84</b>	-	-	-	-

### 31-Mar-23

Particulars	Note	Carrying Amount				Fair Value				
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Investments at Fair Value through Other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
<b>Assets</b>										
<b>Financial Assets Measured at Fair Value</b>										
Investments	9	-	-	-	40.93	40.93	40.93	-	-	40.93
						-				
<b>Financial Assets not Measured at Fair Value*</b>						-				
Investments	9	24.26	-	-		24.26	-	-	-	-
Loans	10	697.48	-	-		697.48	-	-	-	-
Trade Receivables	11 & 16	42,447.33	-	-		42,447.33	-	-	-	-
Cash and Cash Equivalents	17	3,287.79	-	-		3,287.79	-	-	-	-
Other Bank balances	18	1,730.33	-	-		1,730.33	-	-	-	-
Other financial assets	12 & 19	1,196.50	-	-		1,196.50	-	-	-	-
<b>Total</b>		<b>49,383.69</b>	-	-	<b>40.93</b>	<b>49,424.62</b>	-	-	-	-

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Note	Carrying Amount					Fair Value			
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Investments at Fair Value through Other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
<b>Liabilities</b>										
<b>Financial Liabilities not measured at fair value*</b>										
Non Current Borrowings	23	-	-	26,616.64		26,616.64	-	-	-	-
Current Borrowings	27	-	-	13,966.58		13,966.58	-	-	-	-
Trade payables	28	-	-	24,427.86		24,427.86	-	-	-	-
Other financial liabilities	24 & 29	-	-	5,645.82		5,645.82	-	-	-	-
<b>Total</b>		-	-	<b>70,656.90</b>		<b>70,656.90</b>	-	-	-	-

\* The company has not disclosed the fair value for Financial instruments mentioned above because their carrying amounts are a reasonable approximation of fair value.

### 51 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

#### (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and financial instruments.

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk.

##### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The net exposure to foreign currency in respect of recognized financial assets, recognized financial liabilities and derivatives is as follows:

- a) Forward exchange contracts entered into by the Company and outstanding as on March 31, 2024 - Nil (March 31, 2023- Nil)
- b) Foreign Currency exposure

Particulars	31-Mar-24		
	Currency	Amount in Foreign Currency (In Lakhs)	In ₹ lakhs
Bank Balances	IQD	2.43	0.16
	USD	1.43	119.47
	TZS	8.06	0.27

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	31-Mar-24		
	Currency	Amount in Foreign Currency (In Lakhs)	In ₹ lakhs
Trade Payables (including Payables on purchase of fixed assets)			
	AED	0.20	4.54
	USD	8.07	672.92
	EUR	8.93	803.46
Advance To Supplier	EUR	4.22	379.59
	USD	2.59	215.93
Trade and Other Receivables	USD	35.98	2,999.65
	TZS	4.00	0.13

Particulars	31-Mar-23		
	Currency	Amount in Foreign Currency (In Lakhs)	In ₹ lakhs
Bank Balances	IQD	2.43	0.13
Trade Payables (including Payables on purchase of fixed assets)	EUR	5.74	513.39
Trade and Other Receivables	USD	22.18	1,822.12

### Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's import payments and cost of borrowings.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents Management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The following table details the Company's sensitivity movement in the increase / decrease in foreign currencies exposures (net):

### USD Impact

Particulars	March 31, 2024
Profit or Loss	53.24
Equity	53.24

### IQD Impact

Particulars	March 31, 2024
Profit or Loss	0.00
Equity	0.00

### EUR Impact

Particulars	March 31, 2024
Profit or Loss	8.48
Equity	8.48

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### TZS Impact

Particulars	March 31, 2024
Profit or Loss	0.01
Equity	0.01

### (B) Credit risk

The credit risk to the company arises from two sources:

a) Customers, who default on their contractual obligations, thus resulting in financial loss to the Company

Company evaluates the credentials of a customer at a very early stage of the bid. Company has adopted a policy of 3 tier verification before participating for any bid. The first step of such verification includes verification of customer credentials. The company, as part of verification of the customer credentials, ensures the compliance with the following criterion

- (i) Customer's financial health by examining the audited financial statements
- (ii) Whether the Customer has achieved the financial closure for the work for which the company is bidding
- (iii) Where the customer is Public Sector Undertaking, sanction and availability of adequate financial resources for the proposed work.

Company makes provision on its financial assets, on every reporting period, as per Expected Credit Loss Method. The provision is made separately for each financial assets of each business line. The percentage at which the provision is made, is determined on the basis of historical experience of such provisions, modified to the current and prospective business and customer profile.

Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. Majority of the customers of the company comprise of Public Sector Undertakings, with whom the company does not perceive any credit risk. As regards the customers from private sector, company carries out financial evaluation on regular basis and provides for any amount perceived as non realisable, in the books of accounts.

b) Non certification by the customers, either in part or in full, the works billed as per the contract, being non claimable cost as per the terms of the contract with the customer

Non certification of works billed The Company has contract claims from customers including costs on account of account of delays / changes in scope / design by them etc. which are at various stages of discussions / negotiations or under arbitrations. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims

The Company provides for doubtful receivables/advances and expected credit loss based on 12 months and lifetime expected credit loss basis for following financial assets:

### 31-Mar-24

Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	32,479.08	(9,595.75)	22,883.33
Contract Assets	91,975.82	-	91,975.82
Advances to Suppliers	7,688.30	(1,640.30)	6,048.00

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### 31-Mar-23

Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	33,606.04	(9,364.94)	24,241.10
Contract Assets	78,215.17	(4,968.58)	73,246.59
Advances to Suppliers	7,395.55	(1,640.30)	5,755.25

### Reconciliation of Provision and Expected Credit Loss

Particulars	Trade receivables	Contact Asset	Advances to suppliers
<b>Provision and Expected Credit Loss on March 31, 2023</b>	<b>9,364.94</b>	<b>4,968.58</b>	<b>1,640.30</b>
Moved to Non current	-	(4,968.58)	-
Allowance for Doubtful Debts	230.81	-	-
<b>Provision and Expected Credit Loss on March 31, 2024</b>	<b>9,595.75</b>	<b>-</b>	<b>1,640.30</b>

### (C) Liquidity risk

Company being an EPC contractor, has a constant liquidity pressures to meet the project requirements. These requirements are met by a balanced mix of borrowings and project cash flows. Cash flow forecast is made for all projects on monthly basis and the same are tracked for actual performance on daily basis. Shortfall in cash flows are matched through short term borrowings and other strategic financing means. The daily project requirements are met by allocating the daily aggregated cash flows among the projects. Company has established practice of prioritising the site level payments and regulatory payments above other requirements.

The table below summarizes the maturity profile of the Company's financial liabilities:

31-Mar-24	Within 12 months	More than 12 months	Total
Short term borrowings	15,373.66	-	15,373.66
Long-term borrowings	-	29,840.24	29,840.24
Trade payables	21,989.10	-	21,989.10
Other financial liability	4,755.63	3,847.21	8,602.84
	<b>42,118.39</b>	<b>33,687.45</b>	<b>75,805.84</b>

31-Mar-23			
Short term borrowings	13,966.58	-	13,966.58
Long-term borrowings	-	26,616.64	26,616.64
Trade payables	24,427.86	-	24,427.86
Other financial liability	1,621.56	4,024.26	5,645.82
	<b>40,016.00</b>	<b>30,640.90</b>	<b>70,656.90</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### 52 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors Net Debt to Capital ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of term loans and cash credits. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		31-Mar-24	31-Mar-23
Total equity	(i)	1,20,739.12	1,08,404.21
Total debt	(ii)	45,213.91	40,583.22
Cash and Cash Equivalents	(iii (a))	1,817.33	3,287.79
Other bank balances	(iii (b))	4,257.69	1,730.33
Net Debt	(iv) = (ii) - (iii(a)- (iii(b)))	39,138.89	35,565.10
Total Capital	(v) = (i) + (iv)	1,59,878.00	1,43,969.32
Net Debt to Capital ratio	(iv)/ (v)	0.24	0.25

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

### 53 Disclosures pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

#### Movement in Provisions:

Particulars	Provision for Expected Credit Losses		Provision for Advances
	Current	Non-Current	Current
<b>Opening Balance as on April 01, 2023</b>	<b>14,333.51</b>	<b>14,333.26</b>	<b>1,640.30</b>
Add: Additional Provision during the year	230.81	585.73	-
Amount written off	-	-	-
Transfer between current and non current	(4,968.58)	4,968.58	-
<b>Closing Balance as on March 31, 2024</b>	<b>9,595.75</b>	<b>19,887.57</b>	<b>1,640.30</b>

### 54 Assets under charge for borrowings

The carrying amounts of assets under charge for current and non-current borrowings are:

	31-Mar-24	31-Mar-23
<b>Current assets</b>		
Trade receivables	22,883.33	24,241.10
Contract asset	91,975.82	73,246.59
Cash and cash equivalents	1,817.33	3,287.79
Other bank balances	4,257.69	1,730.33
Other Financial Assets	234.18	166.00
Other current assets	11,607.79	10,597.04

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

	31-Mar-24	31-Mar-23
<b>Total Current assets under charge</b>	<b>1,32,776.13</b>	<b>1,13,268.86</b>
<b>Non-Current assets</b>	73,859.77	72,847.37
<b>Total Assets under charge</b>	<b>2,06,635.90</b>	<b>1,86,116.23</b>

Primarily Secured by First Pari-Passu charge on Pooled Assets ie., all movable and immovable assets (fixed, current and non-current) of the company and Collaterally secured by Equitable Mortgage of Land and Buildings, Pledge of Equity Shares of the Company and Corporate Guarantee of MARK AB LLC Dubai, Mark AB Capital Investments India Private Limited. The Corporate Guarantees of SVL Ltd and SVL Trust gets released on March 31, 2024 upon completion of 18 months from the date of RP , as there was no default for a consecutive period of 12 months as defined in RBI Circular dated 7<sup>th</sup> June 2019.

The quarterly statements filed by the Company with the banks and financial institutions are in agreement with the books of accounts.

### 55 Commitments

	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for	Nil	Nil

### 56 Contingent liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
a) Claims against the Company not acknowledged as debts*	10,036.55	10,188.40
b) Central Excise, Service Tax and customs Duties demands contested in Appeals , not provided for*	779.77	408.00
c) Disputed VAT/ Central Sales tax demands contested in Appeals, not provided for*	2,038.04	3,166.00
d) Bank Guarantees given to Customers for performance and advances #	37,613.23	33,636.06

\*Management is confident of winning the appeals in respect of the above , hence no provision has been made. Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

#In respect of matters at (d), the cash outflows, if any, could generally occur up to two years, being the period over which the validity of the guarantees extends.

### 57 Ratios as per the Schedule III requirements

Particulars	Numerator	Denominator	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023		Ratio as on		Variance	Reason
			Numerator	Denominator	Numerator	Denominator	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023		
Current Ratio	Current Assets	Current Liabilities	1,32,776.14	46,745.31	1,13,268.85	44,150.45	2.84	2.57	11%	
Debt Equity Ratio	Debt	Total Equity	45,213.91	1,20,739.12	40,583.22	1,08,404.21	0.37	0.37	0%	
Return on equity/ investment	PAT	Total equity	2,267.13	1,20,739.12	(1,132.24)	1,08,404.21	0.02	(0.01)	-280%	Improved operations in the current year and infusion of fresh equity by way of Rights issue ₹9,980 lakhs, improved ROI



## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Numerator	Denominator	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023		Ratio as on		Variance	Reason
			Numerator	Denominator	Numerator	Denominator	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023		
Inventory Turnover Ratio	COGS	Average stock*	46,671.76	46,671.76	31,852.15	31,852.15	1.00	1.00	0%	
Trade Receivables turnover ratio	Debtors	Net credit sales#	39,483.65	56,098.28	42,447.33	37,884.66	0.70	1.12	-37%	Improved turnover and better collection contributed for improvement in receivable turnover ratio
Trade payables turnover ratio	Creditors	Net credit purchases*	21,989.10	46,671.76	24,427.86	31,852.15	0.47	0.77	-39%	liquidation of old creditors due to better collections contributed for normalisation of creditors.
Net capital turnover ratio	Revenue from operations	Total equity	56,098.28	1,20,739.12	37,884.66	1,08,404.21	0.46	0.35	33%	Improved operations in the current year and infusion of fresh equity by way of Rights issue ₹9,980 lakhs, improved the ratio
Net profit ratio	PBT	Net sales #	2,267.13	56,098.28	1,889.71	37,884.66	0.04	0.05	-19%	
Return on Capital employed	"EBIT (PBT + Finance cost)"	Total Assets - Deferred tax - Current Liabilities	6,704.94	1,19,567.05	(5,886.56)	1,01,642.22	0.06	(0.06)	-197%	Improved operations, reduction in finance cost and infusion of fresh equity by way of rights issue, improved the ratio

\*Represents erection, construction expenses

# Represents total revenue from operations

**58** There are no transactions with vendors under the Micro, Small and Medium Enterprises Development Act, 2006, this has been determined on the basis of information available with the Company.

**59** 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 ₹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. Supreme Court vide Order dated 17.05.2024 directed the respondents to remit ₹12,500 lakhs with Interest @ 7.25% pa from 07.09.2021 till the date of payment, on or before July 29, 2024 being the date of next hearing. 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.

The management is confident that there will be no liability which would devolve on the Company from the proceedings as the Company is fully indemnified by virtue of the said Inter-se arrangement.

**60** Mokul Shriram EPC JV (JV Company) where SEPC Limited is a JV partner, 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

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

claims and directed ECGC to pay a sum of ₹ 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.

**61** The Company has made net profit during the year ended March 31, 2024 amounting to ₹2,267.13 lakhs and as of that date has accumulated losses aggregating ₹ 2,13,382.14 Lakhs. Considering the positive developments of implementation of resolution plan approved in the previous year, completion of Rights issue, 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 statements are prepared on a going concern basis.

**62** The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**63 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,**

The Company does not have transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the year

**64 Utilisation of Borrowed funds and Securities Premium:**

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries"

**65 Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**66 Undisclosed income**

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)

**67 Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

## Notes forming part of the Financial Statements for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### **68 Registration of charges or satisfaction with Registrar of Companies (ROC)**

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

### **69 Subsequent events**

- 1) The Board of directors in their meeting held on January 29, 2024, have approved the issuance of equity shares of the Company for an amount not exceeding ₹20,000 lakhs by way of rights issue to the eligible equity shareholders in accordance with the applicable laws, including Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2015, Companies Act 2013 and Rules made thereunder from time to time, subject to regulatory and statutory approvals. Consequently on April 17, 2024, the Company has filed the Draft letter of Offer with the Securities and Exchange Board of India ('SEBI') for which requisite regulatory approval is awaited.
  - 2) Subsequent to year ended March 31, 2024, the Company has newly incorporated a wholly owned subsidiary namely - SEPC Arabia Limited One Person 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.
- 70** The Board, duly taking into account all the relevant disclosures made has approved these financial statements in its meeting held on May 28, 2024.
- 71** The figures for the previous year have been reclassified/ regrouped wherever necessary for better understanding and comparability.

Summary of significant accounting policies 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

**For MSKA & Associates**

**Chartered Accountants**

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

**SEPC Limited**

CIN - L74210TN2000PLC045167

**Geetha Jeyakumar**

Partner

Membership No: 029409

**N K Suryanarayanan**

Managing Director & CEO

DIN: 01714066

**R Ravichandran**

Director

DIN: 01920603

**T.Sriraman**

Company Secretary

Membership No:A68102

**R S Chandrasekharan**

Chief Financial Officer

**Place: Chennai**

**Date: May 28, 2024**

**Place: Chennai**

**Date: May 28, 2024**



**CONSOLIDATED  
FINANCIAL  
STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT

### To the Members of SEPC Limited

#### Report on the Audit of the Consolidated Financial Statements

#### Qualified Opinion

We have audited the accompanying consolidated financial statements of SEPC Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on consolidated financial statements and on the other financial information of subsidiary, except for the possible effects of the matter described in Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Qualified Opinion

- i. The carrying value of the Deferred Tax Asset (DTA) balance includes an amount of Rs. 30,870.91 Lakhs as on March 31, 2024 which was recognized in regard to the unabsorbed business losses of Rs.88,343.94 lakhs. Due to the non-availability 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: Income taxes, we are unable to comment on any adjustments that may be required to the carrying value of the aforesaid DTA on the consolidated financial statements for the year ended March 31, 2024. (Refer Note 41(B) of the consolidated financial statements).
- ii. Non-Current Contract Assets include overdue balances of Rs. 6,959.44 lakhs (net of provisions amounting to

Rs. 926.98 lakhs) and Non-Current Trade Receivables include Rs. 575.21 lakhs (net of provisions amounting to Rs. 82.99 lakhs) as on March 31, 2024, relating to dues on projects which have been stalled due to delays in obtaining approvals from the regulatory authorities. Due to the non-availability of sufficient appropriate audit evidence to corroborate management's assessment of the recoverability of the said balances, we are unable to comment on the carrying value of these non-current Contract Assets and Trade Receivables, and the consequential impact if any, on the consolidated financial statements for the year ended March 31, 2024. (Refer Note 8.1 and Note 11.1 of the consolidated financial statements).

These matters were also qualified in our report on the consolidated financial statements for the year ended March 31, 2023.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our qualified opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report:

#### Provision for Expected credit loss

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

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

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

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

**How the Key Audit Matter was addressed in our audit:**

Our audit procedures in respect of this area included:

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

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report and Director's report along with annexures, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The other information included in the Management Report and Director's Report along with annexures have not been adjusted for the impacts as described in the Basis for Qualified section above. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated



financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

**Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements**

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

We give in “Annexure A” a detailed description of Auditor’s responsibilities for Audit of the Consolidated Financial Statements.

**Other Matters**

- a. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 15,851.44 Lakhs as at March 31, 2024, total revenues of Rs. Nil Lakhs and net cash flows amounting to Rs. 1.90 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

The subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditors under generally accepted auditing standards applicable in its country. The Holding Company’s management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India.

We have audited these conversion adjustments made by the Holding Company’s management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements after conversion adjustments certified by the Management and audited by us.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. Except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors including daily back-up of books of accounts and other books and papers maintained in electronic mode except for the matters stated in the paragraph 1(i)(vi) below on reporting under Rule 11(g).
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement



of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d. Except for the possible effect of the matters described in Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. The matters described in Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above and paragraph 1(i)(vi) below on reporting under Rule 11(g).
- h. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 56 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
  - iv. (a) The Managements of the Holding Company whose financial statements have been audited under the Act have represented to us that, to the best of their

knowledge and belief, as stated in note 63 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Managements of the Holding Company whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as stated in note 63 to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.
- v. The group has neither declared nor paid any dividend during the year.
- vi. Based on our examination, the Company has used an accounting software, for maintaining its books of account during the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility, except

that no audit trail feature was enabled at the database level during the year ended March 31, 2024 in respect of the software at database level to log any direct data changes.

Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software, except for the software at the database level as stated above, in respect of which the audit trail facility has not operated throughout the year for all relevant transactions recorded in this accounting software during the year ended March 31, 2024. Also, during the course of our examination, we did not come across any instance of audit trail feature being tampered with.

Based on our examination, the Company has used an accounting software for maintaining its payroll records during the year ended March 31, 2024, which is operated by a third-party software service provider. In absence of independent service auditors report, we are unable to comment whether the software has a feature of recording audit trail (edit log) facility, nor are we able to comment on whether the audit trail feature was enabled in the said software and operated throughout the year

for all relevant transactions recorded in the software.

We are further unable to comment as to whether there were any instances of the audit trail feature being tampered with.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group, to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/ adverse remarks.

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

**Geetha Jeyakumar**  
Partner

Place: Chennai  
Date: May 28, 2024

Membership No. 029409  
UDIN: 24029409BKDELQ1173

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

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the 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 management and board of directors.
- Conclude on the appropriateness of the management and board of director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures

in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statement for the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so

would reasonably be expected to outweigh the public interest benefits of such communication.

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

**Geetha Jeyakumar**  
Partner

Place: Chennai  
Date: May 28, 2024

Membership No. 029409  
**UDIN:** 24029409BKDELQ1173

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SEPC LIMITED

[Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of SEPC Limited on the consolidated Financial Statements for the year ended March 31, 2024]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of SEPC Limited (hereinafter referred to as "the Holding Company") and its subsidiary company (the Holding Company and its subsidiary together referred to as "the Group"), as of that date.

#### **Qualified opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the Holding company and its subsidiary company, have, in all material respects, maintained adequate internal financial controls with reference to consolidated financial statements as of March 31, 2024, based on the internal financial control with reference to consolidated financial statements criteria established by respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI") and except for the possible effects of the material weaknesses described below on the achievement of the objectives of the control criteria, the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary company, were operating effectively as of March 31, 2024.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 consolidated financial statements of the Company, and these material weaknesses have affected our opinion on the consolidated financial statements of the Company for the year ended on that date and we have issued a qualified opinion on the consolidated financial statements.

#### **Basis for Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Group's internal financial controls with reference to consolidated

financial statements as at March 31, 2024:

- a) Provisioning of expected credit loss against non-current contract assets and trade receivables which are outstanding for a substantial period of time, which could potentially result in the group not recognizing a provision against the said assets.
- b) Assessment of future taxable profits which could result in recognition of excess deferred tax asset which the group may not be able to utilize for set-off against sufficient future taxable profits.

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

#### **Management and Board of Director's Responsibility for Internal Financial Controls**

The Management and the Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company.

#### **Meaning of Internal Financial Controls With reference to Consolidated Financial Statements**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide

reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

#### **Inherent Limitations of Internal Financial Controls With reference to Consolidated Financial Statements**

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

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

**Geetha Jeyakumar**  
Partner

Place: Chennai  
Date: May 28, 2024

Membership No. 029409  
UDIN: 24029409BKDELQ1173

## Consolidated Balance Sheet as at March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at 31-Mar-2024	As at 31-Mar-2023
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	6A	2,830.84	3,272.98
Right of Use Assets	6B	241.61	322.39
Intangible assets	7	23.92	27.96
Contract assets	8	10,300.45	7,351.90
<b>Financial assets</b>			
Investments	9	77.81	40.93
Loans	10	696.17	697.48
Trade Receivables	11	16,605.49	18,206.25
Other Financial Assets	12	1,030.47	1,041.14
Deferred Tax Assets (Net)	41	40,323.55	40,323.55
Income Tax Assets (Net)	14	1,710.37	1,549.40
<b>Total Non-Current Assets</b>		<b>73,840.68</b>	<b>72,833.98</b>
<b>Current assets</b>			
Contract Assets	15	91,975.82	73,246.59
<b>Financial assets</b>			
Trade receivables	16	30,002.26	29,206.01
Cash and cash equivalents	17	1,834.96	3,307.04
Other bank balances	18	4,257.69	1,730.33
Other Financial Assets	19	234.18	166.00
Other Current assets	20	18,784.54	19,692.41
<b>Total Current Assets</b>		<b>1,47,089.45</b>	<b>1,27,348.38</b>
<b>Total Assets</b>		<b>2,20,930.13</b>	<b>2,00,182.36</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	21	1,40,981.36	1,32,152.90
Other equity	22	(19,954.90)	(23,503.32)
Non Controlling Interest		162.43	159.58
<b>Total Equity</b>		<b>1,21,188.89</b>	<b>1,08,809.16</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial liabilities</b>			
Lease Liabilities	6B	179.49	252.04
Borrowings	23	29,840.24	26,616.64



## Consolidated Balance Sheet as at March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at 31-Mar-2024	As at 31-Mar-2023
Other financial liabilities	24	3,847.21	4,024.26
Provisions	25	734.15	590.32
Contract Liabilities	26	4,552.49	2,078.30
<b>Total Non-Current Liabilities</b>		<b>39,153.58</b>	<b>33,561.56</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease Liabilities	6B	101.20	98.45
Borrowings	27	15,373.66	13,966.58
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	28	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		30,420.97	37,957.02
Other financial liabilities	29	10,165.00	1,625.07
Other current liabilities	30	191.92	445.95
Contract Liabilities	31	4,280.94	3,432.75
Provisions	32	53.97	285.82
<b>Total Current Liabilities</b>		<b>60,587.66</b>	<b>57,811.64</b>
<b>Total Liabilities</b>		<b>99,741.24</b>	<b>91,373.20</b>
<b>Total Equity and Liabilities</b>		<b>2,20,930.13</b>	<b>2,00,182.36</b>

Summary of Material accounting policies 2

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

**For MSKA & Associates**

**Chartered Accountants**

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

**SEPC Limited**

CIN - L74210TN2000PLC045167

**Geetha Jeyakumar**

Partner

Membership No: 029409

**N K Suryanarayanan**

Managing Director & CEO

DIN: 01714066

**R Ravichandran**

Director

DIN: 01920603

**T.Sriraman**

Company Secretary

Membership No:A68102

**R S Chandrasekharan**

Chief Financial Officer

**Place: Chennai**

**Date: May 28, 2024**

**Place: Chennai**

**Date: May 28, 2024**

## Consolidated Statement of Profit and Loss for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	33	56,098.28	37,884.66
Other income	34	4,623.20	2,003.15
<b>Total income</b>		<b>60,721.48</b>	<b>39,887.81</b>
<b>Expenses</b>			
Erection, Construction & Operation Expenses	35	46,671.76	31,905.03
Employee benefits expense	36	3,224.98	3,340.15
Finance costs	37	4,438.55	6,039.75
Depreciation and amortization expense	38	531.92	614.73
Other expenses	39	3,575.91	9,271.71
<b>Total expenses</b>		<b>58,443.12</b>	<b>51,171.37</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>2,278.36</b>	<b>(11,283.56)</b>
Exceptional items- (income)	40	-	(13,815.13)
<b>Profit before tax</b>		<b>2,278.36</b>	<b>2,531.57</b>
<b>Income tax expense</b>			
Current tax		-	-
Deferred tax	41	-	3,021.95
<b>Total income tax expense</b>		<b>-</b>	<b>3,021.95</b>
<b>Profit / (Loss) for the year</b>		<b>2,278.36</b>	<b>(490.38)</b>
<b>Other Comprehensive Income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (loss) on defined benefit plans (Net of Taxes)		50.90	(56.38)
Fair Value of Equity Instruments through OCI (Net of Taxes)		36.88	(11.79)
<b>Other Comprehensive Income / (loss) for the year</b>		<b>87.78</b>	<b>(68.17)</b>

## Consolidated Statement of Profit and Loss for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Total Comprehensive Income/(Loss) for the year</b>		(558.55)	(26,315.75)
Earnings / (Loss) per share	42		
Basic earnings /(loss) per share (₹)		0.17	(0.04)
Diluted earnings /(loss) per share (₹)		0.17	(0.04)
Face value per equity share (₹)		10.00	10.00

Summary of Material accounting policies 2

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

**For MSKA & Associates**

**Chartered Accountants**

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

**SEPC Limited**

CIN - L74210TN2000PLC045167

**Geetha Jeyakumar**

Partner

Membership No: 029409

**N K Suryanarayanan**

Managing Director & CEO

DIN: 01714066

**R Ravichandran**

Director

DIN: 01920603

**T.Sriraman**

Company Secretary

Membership No:A68102

**R S Chandrasekharan**

Chief Financial Officer

**Place: Chennai**

**Date: May 28, 2024**

**Place: Chennai**

**Date: May 28, 2024**

## Consolidated Statement of changes in equity for the year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

(A) Equity share capital	As at 31-03-2024		As at 31-03-2023	
	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid				
Outstanding at the Beginning of the year	1,32,15,29,018	1,32,152.90	97,15,29,018	97,152.90
Add: Shares issued during the year	8,82,84,615	8,828.46	35,00,00,000	35,000.00
Outstanding at the End of the year	<b>1,40,98,13,633</b>	<b>1,40,981.36</b>	<b>1,32,15,29,018</b>	<b>1,32,152.90</b>

### (B) Other equity

Particulars	Securities premium account	General reserve	Capital reserve	Retained earnings	Share of reserve from an associate	Foreign currency monetary item translation difference account	Components of Other Comprehensive Income		Total
							Non controlling interest	Re-measurement gains/ (losses) on defined benefit plans (Net of Tax)	
Balance as at April 01, 2022	1,91,225.43	561.93	12.92	(2,15,105.50)	(219.86)	146.61	163.68	8.51	(23,206.28)
Loss for the year	-	-	-	(490.38)	408.12	12.97	-	-	(69.29)
Other comprehensive income/ (loss)	-	-	-	-	-	-	(56.38)	(11.79)	(68.17)
Balance as at April 01, 2023	1,91,225.43	561.93	12.92	(2,15,595.88)	188.26	159.58	107.30	(3.28)	(23,343.74)
Issue of Shares	1,151.54	-	-	-	-	-	-	-	1,151.54
Profit for the year	-	-	-	2,278.36	-	2.85	-	-	2,281.21
Other comprehensive income/ (loss)	-	-	-	-	30.74	-	50.90	36.88	118.52
Balance as at March 31, 2024	<b>1,92,376.97</b>	<b>561.93</b>	<b>12.92</b>	<b>(2,13,317.52)</b>	<b>219.00</b>	<b>162.43</b>	<b>158.20</b>	<b>33.60</b>	<b>(19,792.47)</b>

Summary of Material accounting policies 2

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

**For MSKA & Associates**

**Chartered Accountants**

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

**SEPC Limited**

CIN - L74210TN2000PLC045167

**Geetha Jeyakumar**

Partner

Membership No: 029409

**N K Suryanarayanan**

Managing Director & CEO

DIN: 01714066

**R Ravichandran**

Director

DIN: 01920603

**T.Sriraman**

Company Secretary

Membership No:A68102

**R S Chandrasekharan**

Chief Financial Officer

**Place: Chennai**

**Date: May 28, 2024**

**Place: Chennai**

**Date: May 28, 2024**

## Consolidated Statement of cash flows for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	March 31,2024	March 31,2023
<b>Cash flow from operating activities</b>		
Profit before tax and after exceptional items	2,278.36	2,531.57
Adjustments for:		
Depreciation and amortization expenses	531.92	614.73
Provision for Gratuity	79.45	76.34
Provision for Compensated Absences	191.82	(158.54)
Provision for Doubtful Trade Receivable & Contract Assets	816.55	5,690.78
Contract Assets & bad debts written off	2,420.95	4,453.20
Finance cost	4,438.55	6,039.75
Fair Value gain on loan as per IND AS 109	(2,607.07)	(613.58)
Interest income	(202.33)	(312.72)
Liabilities written back	(1,500.28)	(911.59)
(Profit) / Loss on sale of property,plant and equipment	(4.66)	336.27
Gain on debt restructuring	-	(19,634.82)
Impairment loss allowance on Contract assets and receivables	-	5,819.69
<b>Operating Profit before working capital changes</b>	<b>6,443.26</b>	<b>3,931.08</b>
<b>Changes in working capital</b>		
(Decrease) /Increase in trade payables	(6,035.77)	4,459.27
Decrease in trade receivables	804.52	8,291.04
Decrease in loans and advances	1.31	-
Decrease in other Current liabilities	(431.09)	(243.98)
Increase / (Decrease) in contract liabilities	3,322.38	(2,625.88)
Decrease in Short Term provisions	(423.67)	(134.64)
Increase / (Decrease) in Long Term provisions	115.28	(137.07)
Increase / (Decrease) in other financial liabilities	8,362.88	(250.18)
(Increase) / Decrease in other financial assets	(73.64)	794.34
Decrease in other current assets	907.88	317.06
Increase in Contract Assets	(24,915.30)	(12,173.61)
<b>Cash (used in) / generated from operations</b>	<b>(11,921.96)</b>	<b>2,227.43</b>
Income tax paid	(160.97)	(136.97)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(12,082.93)</b>	<b>2,090.46</b>
<b>Cash flow from Investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(5.38)	(13.91)
Movement in Bank balances not considered as Cash and cash equivalents (Net)	(2,527.36)	657.16
Proceeds from sale/ disposal of property, plant and equipment	4.66	292.15
Interest received	137.16	312.71
<b>Net cash flow (used in) / generated from investing activities (B)</b>	<b>(2,390.92)</b>	<b>1,248.11</b>

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

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	March 31,2024	March 31,2023
<b>Cash flow from Financing activities</b>		
Proceeds from issue of share capital	9,980.00	35,000.00
Proceeds from Short term borrowings (net)	1,407.08	359.20
Proceeds from Long Term Borrowings	4,000.00	16,488.78
Repayment of Long term borrowings	(424.54)	(48,247.99)
Interest and Finance Charges Paid	(1,862.31)	(4,156.00)
Repayment of finance lease obligation	(98.46)	(58.19)
<b>Net cash flow generated from / (used in) financing activities (C)</b>	<b>13,001.77</b>	<b>(614.20)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(1,472.08)</b>	<b>2,724.37</b>
Cash and cash equivalents at the beginning of the year	3,307.04	582.67
<b>Cash and cash equivalents at the end of the year</b>	<b>1,834.96</b>	<b>3,307.04</b>
<b>Cash and cash equivalents comprise</b>		
Cash and cash equivalents as per Balance Sheet	6,092.65	5,037.37
Less: Bank balances not considered as Cash and cash equivalents as defined in Ind-AS 7 Cash Flow Statements	4,257.69	1,730.33
	<b>1,834.96</b>	<b>3,307.04</b>

Summary of Material accounting policies 2

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

**For MSKA & Associates**

**Chartered Accountants**

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

**SEPC Limited**

CIN - L74210TN2000PLC045167

**Geetha Jeyakumar**

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Company Secretary

Membership No:A68102

**R S Chandrasekharan**

Chief Financial Officer

**Place: Chennai**

**Date: May 28, 2024**

**Place: Chennai**

**Date: May 28, 2024**

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### 1 General Information

SEPC Limited (the "Company" or "SEPC") has diverse interests across Project Engineering & Construction. The company provides end-to-end solutions to engineering challenges, offering multi disciplinary design, engineering, procurement, construction and project management services. SEPC is focused on providing turnkey solutions for ferrous & non ferrous, cement, aluminum, copper and thermal power plants, water treatment & transmission, renewable energy, cooling towers & material handling.

The Company along with the Joint operators enters into contracts with the customers for execution of the projects. The Company's share as per such contracts is listed below. However, the Company as a Joint operator, recognises assets, liabilities, income and expenditure held/incurred jointly with other partners in proportion to its interest in such joint arrangements in compliance with applicable accounting standards taking into account the related rights and obligations applicable in the respective jointly controlled operations.

Joint operators	% of SEPC's Share
Larsen & Toubro limited shriram EPC JV	10%
Shriram EPC Eurotech Environment Pvt Ltd - JV*	100%
SEPC DRS ITPL JV*	100%
Mokul Shriram EPC JV*	50%

\*Unincorporated Joint Ventures

Subsidiary Companies which are consolidated

Name of entity	Relationship	Country of incorporation	March 31, 2024	March 31, 2023
Shriram EPC (FZE)	Subsidiary	United Arab Emirates	100%	100%
Shriram EPC Arkan LLC	Subsidiary of Subsidiary	Muscat, Oman	70%	70%

### 2 Material accounting policies

Material accounting policies adopted by the company are as under:

#### 2.1 Basis of Preparation of Financial Statements

The financial statements have been prepared using significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements

#### (a) Statement of Compliance with Ind AS

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards). Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. These financial statements have been approved for issue by the Board of Directors at its meeting held on May 28, 2024.

#### (b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except certain financial assets and liabilities measured at fair value (Refer Accounting Policy No. 2.9 on financial instruments).

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The normal operating cycle of the entity for Construction contracts is the duration of 2 to 3 years depending on each contract.

#### (c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Amounts in the financial statements are presented in Indian Rupees in Lakhs rounded off to two



## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

### (d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, fair value measurement, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.. Refer Note 3 for detailed discussion on estimates and judgments.

### (e) Interests in Joint Operations

When the Company has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as joint operations. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Company recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Holding Company and its subsidiaries are combined for consolidation.

## 2.2 Fair value measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for

certain financial instruments that are measured at fair value in accordance with Ind AS . The carrying value of all the items of property, plant and equipment as on date of transition is considered as the deemed cost.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement.

Fair value measurements under Ind AS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets/liabilities

## 2.3 Revenue Recognition

- A. The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price. Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit and Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
  2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.
- B. Revenue from construction contracts/project related activity and contracts for supply/commissioning of complex plant and equipment is recognised as follows:
- Fixed price contracts: Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to condition that it is probable the such cost will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to date, to the total estimated contracts cost.
- The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:
- (i) The amount of revenue can be measured reliably;
  - (ii) It is probable that the economic benefits associated with the contract will flow to the company;
  - (iii) The stage of completion of the contract at the end of the reporting period can be measured reliably; and
  - (iv) The costs incurred or to be incurred in respect of the contract can be measured reliably.
- Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.
- For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognised profits (or recognised losses, as the case may be), the surplus is shown as the amount due to customers. Amounts

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

received before the related work is performed are disclosed in the Balance sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance sheet as trade receivables. The amount of retention money due from customers within the next twelve months are classified under other current assets as Trade Receivable.

Revenue from contracts from rendering engineering design services and other services which are directly related to construction of an asset is recognised on the same basis as stated in (B) above.

### Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend income is accounted in the period in which the right to receive the same is established.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

## 2.4 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

### (a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The company has not opted to exercise the option under section 115BAA of the income tax 1961, as introduced by the taxation laws

(Amendment) ordinance, 2019 and decided to continue with the existing rate of tax for the purpose of deferred tax computation.

### (b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 2.5 Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

### 2.6 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

### 2.7 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-

tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

### 2.8 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) uncalled liability on shares and other investments partly paid;
- c) funding related commitment to subsidiary, associate and joint venture companies; and
- d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

### 2.9 Financial instruments

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

#### (a) Financial assets

##### (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

### (ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit

or loss. Interest income from these financial assets is included in other income.

The company has currently exercised the irrevocable option to present in Other comprehensive Income, subsequent changes in the Fair value of Equity Instruments. Such an election has been made on instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

### (iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024 (Amount in ₹ lakhs, unless otherwise stated)

be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet, ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

#### (iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized."

#### (b) Financial liabilities

##### (i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

##### (ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

##### (iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

##### (c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The



## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

### 4 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### (a) Taxes

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carryforwards can be utilized. In addition, significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### (b) Construction Contracts

Recognizing construction contract revenue requires significant judgement in determining actual work performed and the estimated costs to complete the work, provision for rectification costs, variation claims etc

### 5 Standards (including amendments) issued but not yet effective

#### Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### 6A Property, plant and equipment - Current Year

Block of Assets	Gross block				Depreciation				Net block	
	As at April 01, 2023	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2024	As at April 01, 2023	For the year	Deductions/ Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Owned assets										
Freehold land	241.50	-	-	241.50	-	-	-	-	241.50	241.50
Leasehold Improvements	350.15	-	-	350.15	215.85	14.78	-93.53	324.16	25.99	134.30
Buildings	146.86	-	-	146.86	91.07	4.95	12.76	83.26	63.60	55.79
Plant and Machinery	5,216.77	-	-	5,216.77	2,433.54	409.44	72.85	2,770.13	2,446.64	2,783.23
Furniture and Fixtures	68.03	-	-	68.03	56.21	4.55	9.80	50.96	17.07	11.82
Office Equipment	12.17	0.37	0.21	12.33	11.98	0.02	0.80	11.20	1.13	0.19
Computers	93.74	5.01	-	98.75	57.17	10.57	(0.08)	67.82	30.93	36.57
Vehicle	11.79	-	1.00	10.79	2.21	2.79	(1.81)	6.81	3.98	9.58
<b>Total</b>	<b>6,141.01</b>	<b>5.38</b>	<b>1.21</b>	<b>6,145.18</b>	<b>2,868.03</b>	<b>447.10</b>	<b>0.79</b>	<b>3,314.34</b>	<b>2,830.84</b>	<b>3,272.98</b>

### Property, plant and equipment - Previous Year

Block of Assets	Gross block				Depreciation				Net block	
	As at April 01, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at April 01, 2022	For the year	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Owned assets										
Freehold land	241.50	-	-	241.50	-	-	-	-	241.50	241.50
Leasehold Improvements	350.15	-	-	350.15	197.29	18.56	-	215.85	134.30	152.86
Buildings	146.86	-	-	146.86	70.61	20.46	-	91.07	55.79	76.25
Plant and Machinery	5,577.72	8.12	369.07	5,216.77	2,283.98	482.42	332.86	2,433.54	2,783.23	3,293.74
Furniture and Fixtures	68.03	-	-	68.03	51.02	5.19	-	56.21	11.82	17.01
Office Equipment	12.17	-	-	12.17	11.33	0.65	-	11.98	0.19	0.84
Computers	90.93	5.79	2.98	93.74	45.79	14.36	2.98	57.17	36.57	45.14
Vehicle	51.75	-	39.96	11.79	37.06	5.28	40.13	2.21	9.58	14.69
<b>Total</b>	<b>6,539.11</b>	<b>13.91</b>	<b>412.01</b>	<b>6,141.01</b>	<b>2,697.08</b>	<b>546.92</b>	<b>375.97</b>	<b>2,868.03</b>	<b>3,272.98</b>	<b>3,842.03</b>

The Company has not revalued any Property, Plant and equipment during the year

The immovable properties are held in the name of the Company as at March 31, 2024 and March 31, 2023

Refer Note no 23 for property, plant and equipment pledged as security in respect of borrowings.

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

The aggregate depreciation expense for the year is included under "Depreciation and Amortisation" expense in the Statement of Profit and Loss- Refer Note 38

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

**6B The details of the right-of-use asset held by the Company is as follows:**

Particulars	Building	Total
<b>Balance as at April 01, 2022</b>	233.09	233.09
Additions	153.07	153.07
Depreciation	(63.77)	(63.77)
<b>Balance as at March 31, 2023</b>	<b>322.39</b>	<b>322.39</b>
Additions	-	-
Depreciation	(80.78)	(80.78)
<b>Balance as at March 31, 2024</b>	<b>241.61</b>	<b>241.61</b>

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	Building	Total
<b>Lease liabilities as at April 1, 2022</b>	238.53	238.53
Additions	141.09	141.09
Interest on lease liabilities	29.06	29.06
Payments	(58.19)	(58.19)
<b>As at March 31, 2023</b>	<b>350.49</b>	<b>350.49</b>
Additions	-	-
Interest on lease liabilities	28.66	28.66
Payments	(98.46)	(98.46)
<b>As at March 31, 2024</b>	<b>280.69</b>	<b>280.70</b>

### Breakup of current and non-current lease liabilities

Particulars	31-Mar-23	31-Mar-22
Current lease liabilities	101.20	98.45
Non-current lease liabilities	179.49	252.04

## 7 Intangible assets - Current Year

Block of Assets	Gross block				Depreciation				Net block	
	As at April 01, 2023	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2024	As at April 01, 2023	For the year	Deductions/ Adjustments	As at March 31, 2024	As at March 31, 2024	As at 31 March 2023
Computer Software	43.12	-	-	43.12	25.12	1.79	-	26.91	16.21	18.00
Technical Knowhow	54.22	-	-	54.22	44.26	2.25	-	46.51	7.71	9.96
<b>Total</b>	<b>97.34</b>	<b>-</b>	<b>-</b>	<b>97.34</b>	<b>69.38</b>	<b>4.04</b>	<b>-</b>	<b>73.42</b>	<b>23.92</b>	<b>27.96</b>

## Intangible assets - Previous Year

Block of Assets	Gross block				Depreciation				Net block	
	As at 1 April 2022	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2023	As at 1 April 2022	For the year	Deductions/ Adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computer Software	43.12	-	-	43.12	23.33	1.79	-	25.12	18.00	19.79
Technical Knowhow	54.22	-	-	54.22	42.01	2.25	-	44.26	9.96	12.21
<b>Total</b>	<b>97.34</b>	<b>-</b>	<b>-</b>	<b>97.34</b>	<b>65.34</b>	<b>4.04</b>	<b>-</b>	<b>69.38</b>	<b>27.96</b>	<b>32.00</b>

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

<b>8 Contract Assets (Non current)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Contract Assets	16,713.70	8,278.88
Less: Provision for Expected Credit Loss	(6,413.25)	(926.98)
<b>Total</b>	<b>10,300.45</b>	<b>7,351.90</b>

8.1 Non-Current Contract Assets include overdue balances of ₹ 6,959.44 lakhs as at March 31, 2024 (March 31, 2023 ₹ 7,351.90 lakhs), which are net of provisions of ₹ 926.98 lakhs as at March 31, 2024 (March 31, 2023: ₹926.98 lakhs). The above amount pertain to projects which have been stalled due to delays in obtaining approvals from the regulatory authorities. One of the customers in the said projects is undergoing liquidation process, in respect of which the Company is confident of recovering the dues based on the realisability of the assets available with the said customer. Further, considering the ongoing negotiations with the customers, the management of the Company is confident of recovering both these dues in full.

<b>9 Financial Assets- Investments (Non Current)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
<b>Investment in Others - Equity investments at fair value through other comprehensive income (FVOCI)</b>		
<b>Quoted</b>		
386,526 Equity Shares (Previous year: 386,526 Equity Shares) of ₹ 10/- each fully paid up in Orient Green Power Company Limited	77.81	40.93
<b>Unquoted</b>		
4,076,474 Equity shares (Previous year: 4,076,474 Equity Shares) of ₹ 10/- each fully paid up in Leitwind Shriram Manufacturing Private Limited	407.56	407.56
Less: Provision for Diminution in value of Investments	(407.56)	(407.56)
	<b>77.81</b>	<b>40.93</b>
<b>Total ( A+B)</b>	<b>77.81</b>	<b>40.93</b>
<b>Aggregate book value of:</b>		
Quoted investments	77.81	40.93
Unquoted investments	-	-
<b>Aggregate Market value of:</b>		
Quoted investments	77.81	40.93
Unquoted investments	-	-
<b>Aggregate amount of impairment in value of Investments</b>	<b>407.56</b>	<b>407.56</b>

<b>10 Financial assets - Loans (Non current) (at amortised cost)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Unsecured, considered good		
Considered Good	752.35	10,968.55
Significant increase in credit risk	306.10	306.10
Less: Provision made	(306.10)	(306.10)
Net amount	752.35	10,968.55
Less: Provision for Expected Credit Loss	(56.18)	(10,271.07)
<b>Total</b>	<b>696.17</b>	<b>697.48</b>

10.1 During the year ended March 31, 2023 loans amounting to ₹ 7,433.87 Lakhs has been taken over by SVL Limited (Erstwhile entity exercising significant influence over the Company). Also refer to Note 46.

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

11 Trade Receivables - (Non current) (Unsecured)	As at 31 March 2024	As at 31 March 2023
Trade Receivables - Retention Money		
Considered Good	16,486.00	18,086.76
Significant increase in credit risk	2,748.69	2,680.19
Less: Provision for Expected Credit Loss	(2,748.69)	(2,680.19)
	<b>16,486.00</b>	<b>18,086.76</b>
Trade Receivables		
Considered Good (refer note 11.1 below)	119.49	119.49
Significant increase in credit risk	321.70	322.16
Less: Provision for Expected credit loss	(321.70)	(322.16)
	119.49	119.49
<b>Total</b>	<b>16,605.49</b>	<b>18,206.25</b>

11.1 Trade receivable (Non –Current) includes an amount of ₹575.21 lakh, net of Provisions amounting to ₹82.99 lakhs as at March 31, 2024 ( March 31, 2023 ₹575.21 lakhs, net of Provisions amounting to ₹82.99 lakhs) from projects which are stalled due to delays in statutory approvals faced by the customer. Considering the ongoing negotiations with the customers', Management is confident of recovering the dues in full.

### 11A Trade receivables -Non Current-ageing schedule

31-03-2024

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	14,719.97	-	-	-	-	-	14,719.97
- Significant increase in credit risk	-	-	-	-	-	1,757.79	1,757.79
	<b>14,719.97</b>	-	-	-	-	<b>1,757.79</b>	<b>16,477.76</b>
Less: Provision for Expected Credit Loss							(1,757.79)
<b>Sub total (a)</b>							<b>14,719.97</b>
Disputed							
- Considered good	1,766.03	-	-	-	-	119.49	1,885.52
- Significant increase in credit risk	-	-	-	-	-	1,312.60	1,312.60
	<b>1,766.03</b>	-	-	-	-	<b>1,432.09</b>	<b>3,198.12</b>
Less: Provision for Expected Credit Loss							(1,312.60)
<b>Sub total (b)</b>	<b>1,766.03</b>	-	-	-	-	<b>1,432.09</b>	<b>1,885.52</b>
<b>Total (a) + (b)</b>							<b>16,605.49</b>

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

**31-03-2023**

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	16,386.51	-	-	-	-		16,386.51
- Significant increase in credit risk	-	-	-	-	-	2,011.45	2,011.45
	<b>16,386.51</b>	-	-	-	-	<b>2,011.45</b>	<b>18,397.96</b>
Less: Provision for Expected Credit Loss							(2,011.45)
<b>Sub total (a)</b>							<b>16,386.51</b>
Disputed							
- Considered good	1,700.25	-	-	-	-	119.49	1,819.74
- Significant increase in credit risk	-	-	-	-	-	990.90	990.90
	<b>1,700.25</b>	-	-	-	-	<b>1,110.39</b>	<b>2,810.64</b>
Less: Provision for Expected Credit Loss							(990.90)
<b>Sub total (b)</b>	<b>1,700.25</b>	-	-	-	-	<b>1,110.39</b>	<b>1,819.74</b>
<b>Total (a) + (b)</b>							<b>18,206.25</b>

<b>12 Other financial assets (Non current)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Deposits	1,163.33	1,174.00
Less: Provision for Expected Credit Losses	(132.86)	(132.86)
	<b>1,030.47</b>	<b>1,041.14</b>

<b>13 Deferred Tax Assets (Net)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Deferred Tax Assets (Net) (Refer Note 41)	40,323.55	40,323.55
	<b>40,323.55</b>	<b>40,323.55</b>

<b>14 Income Tax Assets (Net)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Advance Tax & Tax deducted at source (Net of Provision for Tax (March 31,2024 ₹ 5,540.74 lakhs (March 31, 2023 ₹ 5,540.74 lakhs))	1,710.37	1,549.39
<b>Total</b>	<b>1,710.37</b>	<b>1,549.39</b>

<b>15 Contract assets</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Contract Assets (Refer Note 15.1 & Note 40)	91,975.82	78,215.17
Less: Provision for Expected Credit Loss	-	(4,968.58)
<b>Total</b>	<b>91,975.82</b>	<b>73,246.59</b>

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

15.1 The above Contract Assets includes materials at project site amounting to ₹24,610.00 lakhs (Previous year March 31, 2023 ₹22,651.00 lakhs)

15.2 Movement in loss allowance is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance(Current & Non Current)	5,895.56	4,247.99
Additions / Transfer	-	4,968.58
Utilizations / Reversals	517.69	(3,321.01)
Closing balance(Current & Non Current)	6,413.25	5,895.56

16 Trade receivables	As at 31 March 2024	As at 31 March 2023
<b>Unsecured</b>		
-Considered good	20,910.48	21,952.31
-Significant increase in credit risk	9,595.75	9,301.61
Less: Provision for Expected Credit Loss	(9,595.75)	(9,301.61)
<b>Trade Receivable - Retention monies</b>		
-Considered good	9,091.78	7,253.70
-Significant increase in credit risk	-	63.33
Less: Provision for Expected Credit Loss	-	(63.33)
<b>Net</b>	<b>30,002.26</b>	<b>29,206.01</b>

16.1 The average credit period allowed to customers is between 30 days to 60 days. The credit period is considered from the date of Invoice. Further, a specified amount of bill is held back by the customer as retention money, which is payable as per the credit period, from the date such retention becomes due. The retention monies held by customers become payable on completion of a specified milestone or after the Defect Liability Period of the project, which is normally 1 year after the completion of the project, as per terms of respective contract. No Interest is payable by the customers for the delay in payments of the amounts over due. The Company evaluates, the financial health, market reputation, credit rating of the customer, before entering into the contract. The company's customers comprise of public sector undertakings as well as private entities.

16.2 Trade receivable include due from related parties amounting to ₹1,675.67 Lakhs (March 31, 2023- 3,635.66 Lakhs) Refer Note 46 (C)

### Trade receivables ageing schedule

31-03-2024

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	12,896.55	2,314.59	1,250.01	2,175.21	1,948.87	7,958.14	28,543.37
- Significant increase in credit risk	-	-	-	-	-	9,251.15	9,251.15
	<b>12,896.55</b>	<b>2,314.59</b>	<b>1,250.01</b>	<b>2,175.21</b>	<b>1,948.87</b>	<b>17,209.29</b>	<b>37,794.52</b>
Less: Provision for Expected Credit Loss							(9,251.15)

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Sub total (a)							28,543.37
Disputed							
- Considered good	-	-	-	1,434.63	-	24.26	1,458.89
- Significant increase in credit risk	-	-	-	-	-	344.60	344.60
	-	-	-	<b>1,434.63</b>	-	<b>368.86</b>	<b>1,803.49</b>
Less: Provision for Expected Credit Loss							(344.60)
Sub total (b)							1,458.89
<b>Total (a) + (b)</b>							<b>30,002.26</b>

### 31-03-2023

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	5,412.35	2,361.98	261.66	3,105.67	7,452.20	9,148.61	27,742.47
- Significant increase in credit risk	-	-		1,837.12	-	7,120.32	8,957.44
	<b>5,412.35</b>	<b>2,361.98</b>	<b>261.66</b>	<b>4,942.79</b>	<b>7,452.20</b>	<b>16,268.93</b>	<b>36,699.91</b>
Less: Provision for Expected Credit Loss							(8,957.44)
Sub total (a)							27,742.47
Disputed							
- Considered good	-	-	1,396.44		3.36	63.74	1,463.54
- Significant increase in credit risk	-	-	267.29	-	-	140.21	407.50
	-	-	1,663.73	-	3.36	203.95	1,871.04
Less: Provision for Expected Credit Loss							(407.50)
Sub total (b)							1,463.54
<b>Total (a) + (b)</b>							<b>29,206.01</b>

### Notes:

Movement in loss allowance is as follows: (Trade receivables- current and non current)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	12,367.29	11,645.10
Additions / Transfer	298.85	722.19
Utilizations / Reversals		-
Closing balance	12,666.14	12,367.29



## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

<b>17 Cash and cash equivalents</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
<b>Balances with banks</b>		
In current accounts	1,614.44	2,383.74
Margin Money (Original Maturity of less than 3 Months)	219.56	920.40
Cash on hand	0.96	2.90
<b>Total</b>	<b>1,834.96</b>	<b>3,307.04</b>

<b>18 Other Bank Balances</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Deposit Account (Original Maturity of 3 Months to 12 Months)	1,224.82	223.71
Margin Money (Original Maturity of 3 Months to 12 Months)	3,032.87	1,506.62
<b>Total</b>	<b>4,257.69</b>	<b>1,730.33</b>

<b>19 Other Current Financial assets (at amortised cost)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Security deposit	139.09	114.06
Less: Allowance for expected credit loss	(13.51)	(13.51)
Security deposit	125.58	100.55
Advances to Employees	69.65	42.63
Interest Receivable	38.95	22.82
<b>Total</b>	<b>234.18</b>	<b>166.00</b>

<b>20 Other current assets (unsecured, considered good unless otherwise stated)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Balance with Government Authorities	5,178.91	4,794.70
Prepaid Expenses	380.59	35.84
Other Advances	0.29	11.24
Advances to Suppliers		
- Considered good	13,224.75	14,850.63
- Significant increase in credit risk	1,640.30	1,640.30
Less: Provision for Expected Credit Loss	(1,640.30)	(1,640.30)
	<b>13,224.75</b>	<b>14,850.63</b>
<b>Total</b>	<b>18,784.54</b>	<b>19,692.41</b>

### 21 A. Equity Share capital

<b>Particulars</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
<b>Authorized</b>		
1,750,000,000 (31 March 2023 1,400,000,000 ) Equity Shares of ₹ 10 each (Refer note (a) below)	1,75,000.00	1,40,000.00
	<b>1,75,000.00</b>	<b>1,40,000.00</b>

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Issued, subscribed and paid up</b>		
1,409,813,633 (31 March 2023: 1,321,529,018) Equity shares of ₹ 10 each fully paid	1,40,981.36	1,32,152.90
	<b>1,40,981.36</b>	<b>1,32,152.90</b>

### B. Preference Share capital

The Company has preference share capital having a par value of ₹ 100 per share, referred to herein as preference share capital

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Authorized</b>		
30,000,000 (31 March 2023: 30,000,000) Convertible Preference Shares of ₹ 100 each	30,000.00	30,000.00
<b>Total</b>	<b>30,000.00</b>	<b>30,000.00</b>

(a) Pursuant to the resolution of the members passed at the Extraordinary General Meeting held on March 08, 2024, the Authorised Share capital of the company has been increased from ₹1,40,000 lakhs (1,400,000,000 Equity Shares of ₹ 10/- each) to ₹ 1,75,000 lakhs (1,750,000,000 Equity Shares of ₹ 10/- each).

### (b) Reconciliation of Equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2024	As at 31 March 2023
	No of shares	No of shares
Outstanding at the beginning of the year	1,32,15,29,018	97,15,29,018
Add: Issued during the year (refer note g & h)	8,82,84,615	35,00,00,000
Outstanding at the end of the year	1,40,98,13,633	1,32,15,29,018

### (c) Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2024		As at 31 March 2023	
	No of shares	% holding	No of shares	% holding
<b>Equity Shares</b>				
Mark AB Capital Investments LLC ( Refer Note (d) below)	35,00,00,000	24.82	35,00,00,000	26.48
SVL Limited	11,24,89,592	7.98	21,35,41,894	16.16
State Bank of India	-	-	12,56,34,843	9.51
Punjab National Bank	10,15,86,630	7.20	10,18,10,880	7.70
Central Bank of India	9,35,70,276	6.64	9,35,70,276	7.08

### (d) Details of shares held by Promoters

Name of Shareholder	As at 31 March 2024		As at 31 March 2023	
	No of shares	% holding	No of shares	% holding
Mark AB Capital Investments LLC	35,00,00,000	24.82	35,00,00,000	26.48
Mark AB Welfare Trust	3,01,46,361	2.14	6,07,49,462	4.60

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### (e) Terms/rights attached to the shares

The Company has issued equity shares having a par value of ₹ 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting rights.

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

The Company has only one class of share capital, i.e., equity shares having face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

### (f) Preferential issue of equity shares during past five years:

There is no Preferential issue of Equity during the year ended March 31, 2019, March 31, 2020, March 31, 2021, March 31, 2022, March 31, 2024.

Preferential issue of equity shares during the Previous year (2022-23):

Particulars	2022-23
	No. shares
Mark AB Capital Investments LLC	35,00,00,000

g) The Resolution Plan (RP) was implemented by the Company and Lenders, upon completion of compliance of all conditions precedent to the satisfaction of the consortium lenders and RP was effective from September 30, 2022, with change in Management as per the RP formulated under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 vide its circular dated June 07, 2019 ("the RBI Circular" / "Regulatory Framework"). Consequent to the implementation of resolution plan, Mark AB Capital Investment LLC, Dubai acquired 26.48% in equity of the Company.

During the year ended March 31, 2023, pursuant to the Resolution Plan, Company has received ₹35,000 Lakhs of equity and has allotted 35,00,00,000 equity shares of ₹ 10 each on preferential basis to Mark AB Capital Investment LLC, Dubai and shall be subject to lock-in for such period as may be prescribed under the ICDR Regulations. As at September 30, 2022 the Company has utilized the entire proceeds towards the intended purpose.

During the Year ended March 31, 2023, pursuant to the Resolution Plan, Company has issued 1,75,00,000 Compulsorily Convertible Debentures (CCD) of ₹100/- each and 1,75,00,000 Non-Convertible Debenture (NCD) of ₹100/- each aggregating to ₹ 35,000 Lakhs by way of conversion of existing loans of lenders. (Refer Note no 23.2)

h) During the year ended March 31, 2024, pursuant to the approval of the Board of Directors, the Company has made a rights issue of 8,82,84,615 Equity Shares. Out of this 4,99,00,000 Equity shares were issued at a par value of ₹10 per share and 3,83,84,615 Equity shares were issued at a premium of ₹3 per Share.

## 22 Other equity

(A) Other equity	As at 31 March 2024	As at 31 March 2023
Securities premium reserve (Refer Note (i) below)	1,92,376.97	1,91,225.43
General reserve (Refer Note (ii) below)	561.93	561.93
Capital Reserve (Refer Note (iii) below)	12.92	12.92
Deficit in the Statement of Profit and Loss (Refer Note (iv) below)	(2,13,317.52)	(2,15,595.88)
Re-measurement gains on defined benefit plans (Net of Tax)	158.20	107.30
Investments FVTOCI Reserve on equity instruments	33.60	(3.28)
Foreign currency monetary item translation difference account	219.00	188.26
Non Controlling Interest	162.43	159.58
<b>Total</b>	<b>(19,792.47)</b>	<b>(23,343.74)</b>

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

<b>(i) Securities premium reserve</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening balance	1,91,225.43	1,91,225.43
Add : Securities premium credited on issue of shares	1,151.54	-
<b>Closing balance</b>	<b>1,92,376.97</b>	<b>1,91,225.43</b>
<b>(ii) General reserve</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening balance	561.93	561.93
Additions/(Transfers)	-	-
<b>Closing balance</b>	<b>561.93</b>	<b>561.93</b>
<b>(iii) Capital Reserve</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening balance	12.92	12.92
Additions/(Transfers)	-	-
<b>Closing balance</b>	<b>12.92</b>	<b>12.92</b>
<b>(iv) Deficit in the Statement of Profit and Loss</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening balance	(2,15,595.88)	(2,15,105.50)
Add: Net loss for year	2,278.36	(490.38)
<b>Closing balance</b>	<b>(2,13,317.52)</b>	<b>(2,15,595.88)</b>
<b>(v) Investments FVTOCI Reserve on equity instruments</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening balance	(3.28)	8.51
-Fair valuation changes for the year (net of tax)	36.88	(11.79)
<b>Closing balance</b>	<b>33.60</b>	<b>(3.28)</b>
<b>(vi) Re-measurement (gain)/loss on post employment benefit obligation (net of tax)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening Balance	107.30	163.68
Additions	50.90	(56.38)
<b>Closing Balance</b>	<b>158.20</b>	<b>107.30</b>
<b>(vii) Foreign currency monetary item translation diff account</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Opening Balance	188.26	-219.86
Additions	30.74	408.12
<b>Closing Balance</b>	<b>219.00</b>	<b>188.26</b>

### Nature and Purpose of Reserves

#### Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### General Reserve

The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

### Capital reserve

Capital reserve was created under the previous GAAP out of the profit earned from a specific transaction of capital nature. Capital reserve is not available for the distribution to the shareholders.

<b>23 Borrowings -Non-current (Secured, unless otherwise stated)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
<b>Secured - At Amortized Cost</b>		
<b>From Banks</b>		
Term Loans	1,078.26	1,397.99
Non Convertible debentures (NCD)	10,081.83	9,288.02
Compulsorily Convertible Debentures (CCD)	10,001.42	9,178.93
<b>From Others</b>		
Term Loans	755.10	799.98
Non Convertible debentures (NCD)	3,084.76	2,846.72
Compulsorily Convertible Debentures (CCD)	3,067.54	2,805.80
Unsecured Loan (Refer note 23.3 and 46)	1,771.33	299.20
<b>Total</b>	<b>29,840.24</b>	<b>26,616.64</b>

### 23.1 Terms of Repayment and Security details

<b>S.No</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>Terms of Repayment</b>
Term Loans from Banks**	1,078.26	1,397.99	67 Structured Monthly repayment commencing from Sept 2021 to March 2027
Non Convertible debentures (NCD) from Banks**	10,081.83	9,288.02	26 Structured Halfyearly repayment commencing from October 2022 to March 2035
Compulsorily Convertible Debentures(CCD) from Banks**	10,001.42	9,178.93	Fully Convertible on 31 <sup>st</sup> March 2035
Term Loans from Others**	95.19	140.00	48 Structured Monthly repayment commencing from April 2023 till March 2027
Term Loans from Others**	659.91	659.98	4 Equal Half yearly repayment commencing from September 2027 to March 2029
Non Convertible debentures(NCD) from Others**	3,084.76	2,846.72	26 Structured Halfyearly repayment commencing from October 2022 to March 2035
Compulsorily Convertible Debentures(CCD) from Others**	3,067.54	2,805.80	Fully Convertible on 31 <sup>st</sup> March 2035
Unsecured loan	1,771.33	299.20	Bullet repayment on 31-Dec-2035. The loan carries interest rate at 0.10% p.a payable half yearly from March 2023 till December 2035
<b>Total</b>	<b>29,840.24</b>	<b>26,616.64</b>	

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024 (Amount in ₹ lakhs, unless otherwise stated)

### Security

(\*\*) Primarily Secured by First Paripassu charge on Pooled Assets ie., all movable and immovable assets (fixed, current and non-current) of the company and Collaterally secured by Equitable Mortgage of Land and Buildings, Pledge of Equity Shares of the Company and Corporate Guarantee of MARK AB LLC Dubai, Mark AB Capital Investments India Private Limited. The Corporate Guarantees of SVL Ltd and SVL Trust gets released on March 31, 2024 upon completion of 18 months from the date of Resolution Plan , as there was no default for a consecutive period of 12 months as defined in RBI Circular dated 7<sup>th</sup> June 2019.

Rate of Interest- The interest rate is charged @ 9.00% p.a. w.e.f 1<sup>st</sup> October 2020

### 23.2 Implementation of Resolution Plan

The Resolution Plan (RP) for restructuring of the debt, submitted to the lenders, under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 issued by Reserve Bank of India vide its circular dated June 7, 2019 (the "RBI Circular"), was approved by the consortium lenders and implemented on 30<sup>th</sup> September 2022.

The key features of the Resolution Plan are as follows:

1. Equity Infusion by Prospective Investor – Minimum of ₹ 35,000 Lakhs. Preferential Issue of Equity Shares subject to the pricing as per the SEBI (ICDR) Regulations 2015 to the Investor for 26.4% stake in the Company.
2. Conversion of a part of the existing bank debts into ₹ 17,500 Lakhs of Non-Convertible Debentures (NCD) and ₹ 17,500 Lakhs of Compulsory Convertible Debenture (CCD).
3. Charging rate of interest @ 9.00% p.a. w.e.f 1<sup>st</sup> October 2020.
4. Banks to allow utilization of vacancy in Non-Fund Based Facilities and Fund based limits already sanctioned and available to the Company, post implementation of the plan.
5. Prospective Investor to provide Corporate Guarantee to lenders for entire facilities in lieu of Corporate Guarantees of SVL Ltd and SVL Trust. However, the Corporate Guarantees of SVL Ltd and SVL Trust shall be released on March 31, 2024 on compliance of the stipulation that after 18 months from the date of RP, if there are no default for a consecutive period of 12 months as defined in RBI Circular dated 7<sup>th</sup> June 2019.
6. Continuation of Margin of 15% on stock and book debts and cover period of 270 days for receivable.

The Company has accounted for the CCD and NCD as per IND AS 109- Financial Instruments

The CCD and NCD have been classified as financial liability as there is contractual obligation to deliver cash over a period of 14 years in terms of repayment of principal and interest. CCD and NCD are initially recognised at amortised cost using the effective interest method at 9.00%. The resultant gain or loss at initial recognition is recognised as exceptional gain in the statement of profit and loss. (Also refer Note no 40)

**23.3** During the year ended March 31, 2024, the Company has obtained unsecured loan from a related party amounting to ₹4,000 Lakhs( March 31, 2023 ₹900 lakhs) . The terms of repayment is bullet repayment of principal on 31-December-2035. The loan carries interest rate at 0.10% per annum payable half yearly from March 2024 till December 2035. The said loan has been recognised at amortised cost and the resultant gain on initial recognition is credited to other income in the statement of profit and loss under INDAS 109-Financial Instruments. (Also refer note 34)

**23.4** The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.

**23.5** The Company has utilised the funds as per the terms of the Borrowings.

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

<b>24 Other financial liabilities</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Sundry Creditors- Retention	3,847.21	4,024.26
<b>Total</b>	<b>3,847.21</b>	<b>4,024.26</b>

### Sundry Creditors - Retention

#### As on 31-03-2024

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	3,847.21	-	-	-	-	3,847.21
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>3,847.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,847.21</b>

#### As on 31-03-2023

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	4,024.26	-	-	-	-	4,024.26
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>4,024.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,024.26</b>

<b>25 Long Term Provisions</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Provision for gratuity ( Refer Note 44)	431.78	479.77
Provision for Compensated Absences(Refer Note 44)	302.37	110.55
<b>Total</b>	<b>734.15</b>	<b>590.32</b>

<b>26 Contract Liabilities</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Advance from Customers	4,552.49	2,078.30
<b>Total</b>	<b>4,552.49</b>	<b>2,078.30</b>

<b>27 Short -term borrowings (Secured unless otherwise stated)</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
From bank		
- Cash Credit and Overdraft facilities	6,538.43	7,952.75
- Working Capital Demand Loans	8,363.99	5,129.28
Current Maturities	312.00	156.00



## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

27 Short -term borrowings (Secured unless otherwise stated)	As at 31 March 2024	As at 31 March 2023
Non Convertible debentures(NCD)	67.02	83.37
<b>From Financial Institutions</b>		
-Cash Credit and Overdraft facilities	-	264.78
Current Maturities	28.01	-
Non Convertible debentures(NCD)	20.48	21.20
From others (Unsecured)	43.73	359.20
<b>Total</b>	<b>15,373.66</b>	<b>13,966.58</b>

**27.1** Primarily Secured by First Paripassu charge on Pooled Assets ie., all movable and immovable assets (fixed, current and non-current) of the company and Collaterally secured by Equitable Mortgage of Land and Buildings, Pledge of Equity Shares of the Company and Corporate Guarantee of MARK AB LLC Dubai, Mark AB Capital Investments India Private Limited. The Corporate Guarantees of SVL Ltd and SVL Trust gets released on March 31, 2024 upon completion of 18 months from the date of Resolution Plan , as there was no default for a consecutive period of 12 months as defined in RBI Circular dated 7<sup>th</sup> June 2019.

**27.2** The quarterly statements filed by the Company with the banks and financial institutions are in agreement with the books of accounts

**27.3** The Company has utilised the funds as per the terms of the Borrowings. Also, the Company has not used funds raised on short term basis for long term purpose.

**27.4** Rate of Interest- The interest rate is charged @ 9.00% p.a. w.e.f 1<sup>st</sup> October 2020

### Net Debt Reconciliation

Particulars	As at 31 March 2024	As at 31 March 2023
Cash & Cash equivalents	1,834.96	3,307.04
Non Current Borrowings	(29,840.24)	(26,616.64)
Current Borrowings	(15,373.66)	(13,966.58)
<b>Net Debt</b>	<b>(43,378.94)</b>	<b>(37,276.18)</b>

Particulars	Cash & Cash equivalents	Non Current Borrowings	Current Borrowings	Total
<b>Net Debt as on 1<sup>st</sup> April, 2022</b>	<b>582.67</b>	<b>(15,364.47)</b>	<b>(82,462.97)</b>	<b>(97,244.77)</b>
Cash Flows	2,724.37	-	-	2,724.37
Proceeds from availments	-	(16,488.98)	(359.20)	(16,848.18)
Repayments	-	-	48,247.99	48,247.99
Gain on restructuring/ fair value	-	-	20,248.40	20,248.40
Interest paid/ accrued	-	5,236.81	359.19	5,596.00
<b>Net Debt as on 1<sup>st</sup> April, 2023</b>	<b>3,307.04</b>	<b>(26,616.64)</b>	<b>(13,966.58)</b>	<b>(37,276.18)</b>
Cash Flows	(1,472.08)	-	-	(1,472.08)
Proceeds from availments	-	(4,000.00)	(1,407.08)	(5,407.08)
Repayments	-	424.54	-	424.54
Gain on restructuring/ fair value	-	2,607.07	-	2,607.07
Interest paid/accrued	-	(2,255.21)	-	(2,255.21)
<b>Net Debt as on 31<sup>st</sup> March, 2024</b>	<b>1,834.96</b>	<b>(29,840.24)</b>	<b>(15,373.65)</b>	<b>(43,378.94)</b>

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

28 Trade payables	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	8,429.51	9,605.31
Trade Payables	21,991.46	28,351.71
<b>Total</b>	<b>30,420.97</b>	<b>37,957.02</b>

28.1 The average credit period ranges from 30 days to 90 days, depending on the nature of the item or work. The work orders include element of retention, which would be payable on completion of a milestone, completion of the contract or after a specified period from completion of the work. The terms also would include back to back arrangement wherein, certain amounts are payable on realisation of corresponding amounts by the company from the customer. No interest is payable for delay in payments, unless otherwise specifically agreed in the order or as required by a legislation, like Micro, Small and Medium Enterprises Development Act ("MSMED Act"). The company has a well defined process for ensuring regular payments to the vendors.

28.2 Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Amount remaining unpaid to any supplier at the end of each accounting year:Principal & Interest	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

### 28A Ageing Trade payable ageing

As on 31-03-2024

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	13,318.62	4,467.49	778.80	1,882.03	9,940.73	30,387.67
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	4.53	1.29	-	-	27.48	33.30
<b>Total</b>	<b>13,323.15</b>	<b>4,468.78</b>	<b>778.80</b>	<b>1,882.03</b>	<b>9,968.21</b>	<b>30,420.97</b>

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

**As on 31-03-2023**

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	14,708.23	2,405.90	4,837.46	1,146.50	12,815.40	35,913.49
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	32.09	237.13	1,774.31	2,043.53
<b>Total</b>	<b>14,708.23</b>	<b>2,405.90</b>	<b>4,869.55</b>	<b>1,383.63</b>	<b>14,589.71</b>	<b>37,957.02</b>

29 Other Financial Liabilities	As at 31 March 2024	As at 31 March 2023
Other payables*	10,165.00	1,625.07
<b>Total</b>	<b>10,165.00</b>	<b>1,625.07</b>

\*included employee dues and other routine payable for expenses

30 Other current liabilities	As at 31 March 2024	As at 31 March 2023
Statutory dues payable	86.67	223.27
Advance Billing	105.25	222.68
<b>Total</b>	<b>191.92</b>	<b>445.95</b>

31 Contract Liabilities	As at 31 March 2024	As at 31 March 2023
Advance from customers	4,280.94	3,432.75
<b>Total</b>	<b>4,280.94</b>	<b>3,432.75</b>

32 Short Term Provisions	As at 31 March 2024	As at 31 March 2023
Provision for gratuity ( Refer Note 44)	29.32	21.02
Provision for compensated Absences( Refer Note 44)	24.65	136.28
Other Provison	-	128.52
<b>Total</b>	<b>53.97</b>	<b>285.82</b>

33 Revenue from operations	2023-24	2022-23
Revenue from Engineering and Construction Contracts	56,098.28	37,884.66
<b>Total</b>	<b>56,098.28</b>	<b>37,884.66</b>

33.1 Unsatisfied performance obligation: Management expects that the transaction price allocated to partially or fully unsatisfied performance obligation of ₹ 1,01,000 lakhs (Order book value) (March 31, 2023: ₹ 1,10,900 Lakhs) will be recognised as revenue over the project life cycle.

33.2 The total revenue recognised under Ind AS 115 during the year is recognised over a period of time.

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

33.3 Details for revenue from major customers :

Name of the customer	2023-24	2022-23
Customer 1	24%	25%
Customer 2	15%	11%
Customer 3	10%	10%

34 Other income	2023-24	2022-23
Interest income		
- Margin Money deposits	202.33	283.42
- Income tax refund	-	29.30
Gain on initial recognition of unsecured loan	2,607.07	613.58
Liabilities written back	1,500.28	911.59
Profit on Sale of asset	4.66	-
Miscellaneous income	308.86	165.26
<b>Total</b>	<b>4,623.20</b>	<b>2,003.15</b>

35 Erection, Construction & Operation Exps	2023-24	2022-23
Cost of Materials and Labour	44,225.83	30,507.81
Other Contract Related Costs	2,445.93	1,397.22
<b>Total</b>	<b>46,671.76</b>	<b>31,905.03</b>

36 Employee benefits expense	2023-24	2022-23
Salaries,wages,bonus and other allowances	2,909.80	3,020.16
Contribution to Provident and Other funds	183.27	197.83
Contribution to Gratuity (refer Note 44)	79.45	76.35
Staff welfare expenses	52.46	45.81
<b>Total</b>	<b>3,224.98</b>	<b>3,340.15</b>

37 Finance costs	2023-24	2022-23
Interest on Cash Credits*	1,007.23	2,993.93
Interest on Term Loans *	192.91	715.08
Interest on CCD, NCD	35.56	54.07
Interest - Others	946.84	405.88
Interest on financial liabilities measured at Effective interest rates(INDAS)	2,227.35	1,841.73
Interest on Lease Liabilities	28.66	29.06
<b>Total</b>	<b>4,438.55</b>	<b>6,039.75</b>

\*Consequent to implementation of resolution plan, Interest waiver (July'22 – September'22) of ₹ 2,176 Lakhs has been adjusted against Finance cost for the year ended March 31, 2023.

38 Depreciation and amortization expense	2023-24	2022-23
Depreciation on Property, Plant and Equipment (Refer note 6A)	447.10	546.92
Amortization of Intangible Assets (Refer note 7)	4.04	4.04
Amortization of Right to use assets (Refer note 6B)	80.78	63.77
<b>Total</b>	<b>531.92</b>	<b>614.73</b>

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

<b>39 Other expenses</b>	<b>2023-24</b>	<b>2022-23</b>
Electricity and water	150.42	521.29
Rates and taxes	369.69	233.65
Rent	67.33	68.86
<b>Repairs and Maintenance:</b>		
Building	21.35	12.07
Plant and Machinery, Equipments	18.01	39.53
Others	16.07	12.94
Auditors' Remuneration (refer note 39.1 below)	49.43	47.63
Bank Charges, Letter of Credit / Guarantee charges	735.77	700.08
Travel and conveyance	373.82	334.46
Insurance premium	162.93	125.49
Printing & Stationery	26.72	16.31
Communication, broadband and internet expenses	24.96	22.79
Sitting Fees	12.15	11.70
Consultancy charges	678.61	410.09
Legal Expenses	154.27	172.32
Advertisement	10.38	46.48
Provision for expected credit loss on trade receivables	298.85	722.19
Bad Debts (net of write off of expected credit loss- March 31, 2024- ₹10,214.89 Lakhs, March 31, 2023- ₹Nil)	0.71	1.61
Company's share in Loss of Integrated Joint Ventures	-	10.36
Donation	0.13	0.14
Provision for expected credit loss on Contract Assets	-	4,968.59
Loss on Sale of Property, plant and equipment	-	336.27
Others	404.31	456.87
<b>Total</b>	<b>3,575.91</b>	<b>9,271.71</b>

### 39.1 The following is the break-up of Auditors remuneration (exclusive of GST)

<b>As auditor:</b>	<b>2023-24</b>	<b>2022-23</b>
Statutory audit	27.00	27.00
Other matters	20.50	20.54
Reimbursement of expenses	1.93	0.09
<b>Total</b>	<b>49.43</b>	<b>47.63</b>

<b>40 Exceptional Items-(income)/ expense</b>	<b>2023-24</b>	<b>2022-23</b>
Gain on Debt restructuring (Refer Note 23.2)	-	(19,634.82)
Contract assets written off	-	5,819.69
<b>Total</b>	<b>-</b>	<b>(13,815.13)</b>

40.1 (i) (i) Year ended March 31, 2023 includes an amount of ₹ 19,634.82 Lakhs 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

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

September 30, 2022 and the fair values of the new facilities recognised as income in accordance with INDAS 109 - Financial Instruments.

- (ii) During the year ended March 31, 2023, contract assets amounting to ₹5,819.69 lakhs was written off, in respect of projects stopped by the client consequent to an order of the National Green Tribunal restraining the client from proceeding with the project and on account of wrongful termination of a contract and consequent legal disputes / arbitration proceedings initiated during the year in respect of projects with the customers.

### 41 Income Tax

(A) Components of Deferred Tax Assets and Liabilities recognised in Balance Sheet:

#### March 31, 2024

Particulars	Balance as at April 1, 2023	Recognized in profit or loss during 2023-24	Recognized in OCI during 2023-24	Balance as at March 31, 2024
<b>Deferred tax assets</b>				
Expenditure allowed on payment basis for Income tax purpose	261.23	14.15	-	275.38
Impairment loss on Financial Assets and Contract Assets	5,167.95	2,243.83	-	7,411.78
Deferred tax asset on account of unabsorbed losses and depreciation allowance (Refer Note- 41 (B))	35,409.62	(2,369.80)	-	33,039.82
	<b>40,838.80</b>	<b>(111.82)</b>	<b>-</b>	<b>40,726.98</b>
<b>Deferred tax liabilities</b>				
On Property, Plant and Equipment	515.25	(111.82)	-	403.43
On Others	-	-	-	-
	<b>515.25</b>	<b>(111.82)</b>	<b>-</b>	<b>403.43</b>
<b>Deferred tax asset, net</b>	<b>40,323.55</b>	<b>(0.00)</b>	<b>-</b>	<b>40,323.55</b>

(B) The Company has business losses which are allowed to be carried forward and set off against available future taxable profits under the Income Tax Act, 1961, in respect of which the Company has created Deferred Tax Assets ("DTA"). The Company has recognised DTA on the carry forward unabsorbed business losses only to the extent of ₹88,343.94 lakhs (March 31, 2023: ₹1,11,216.10 lakhs) out of the total carry forward unabsorbed business losses of ₹1,04,486.51 lakhs that was available as at March 31, 2024 (March 31, 2023- ₹1,37,510.14 lakhs). The DTA amount recognised by the Company on these carry forward unabsorbed business losses amounts to ₹ 30,870.91 lakhs as at March 31, 2024 (March 31, 2023 - ₹ 33,289.92 lakhs). Considering the potential order book as on date, the expected reduction in finance cost in the light of implementation of resolution plan with its lenders, the current projects in the pipeline and a positive future outlook for the Company, the management of the Company is confident of generating sufficient taxable profits in the future and adjust them against these unabsorbed business losses, and accordingly, the entire DTA can be utilised before the expiry of the period for which this benefit is available.

#### (C) March 31, 2023

Particulars	Balance as at April 1, 2022	Recognized in profit or loss during 2022-23	Recognized in OCI during 2022-23	Balance as at March 31, 2023
<b>Deferred tax assets</b>				
Expenditure allowed on payment basis for Income tax purpose	365.17	(103.94)	-	261.23

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Balance as at April 1, 2022	Recognized in profit or loss during 2022-23	Recognized in OCI during 2022-23	Balance as at March 31, 2023
Impairment loss on Financial Assets and Contract Assets	3,912.73	1,255.22	-	5,167.95
Deferred tax asset on account of unabsorbed losses and depreciation allowance (Refer Note- 41 (D))	39,645.00	(4,235.38)	-	35,409.62
	<b>43,922.90</b>	<b>(3,084.10)</b>	-	<b>40,838.80</b>
<b>Deferred tax liabilities</b>				
On Property, Plant and Equipment	577.40	(62.15)	-	515.25
On Others	-			
	<b>577.40</b>	<b>(62.15)</b>	-	<b>515.25</b>
<b>Deferred tax asset, net</b>	<b>43,345.50</b>	<b>(3,021.95)</b>	-	<b>40,323.55</b>

(D) 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 ₹ 1,37,510.14 lakhs, the Company has recognised Deferred Tax Asset (DTA) on a carry forward loss of ₹ 1,11,216.10 lakhs in an earlier year resulting in DTA of ₹ 33,289.92 lakhs (March 31, 2022 - ₹ 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.

(E) Components of Tax	2023-24	2022-23
Current Tax	-	-
Deferred Tax	-	(3,021.95)
<b>Total</b>	-	<b>(3,021.95)</b>

(F) Reconciliation of tax charge	2022-23	2021-22
<b>(a) Profit/(Loss) before tax</b>	<b>2,278.36</b>	<b>2,531.57</b>
(b) Corporate Tax Rate as per Income Tax Act, 1961	34.94%	34.94%
<b>(c) Tax on Accounting Profit/(loss)</b>	<b>796.15</b>	<b>884.53</b>
	(c) = (a) * (b)	

(d) Tax adjustments	2022-23	2021-22
(i) Tax on Non-deductible item for tax purpose	-	-
(ii) Tax effect on expiry of carry forward losses	(2,369.80)	(2,738.79)
(iii) Tax effect of losses of current year on which no deferred tax benefit is recognised	1,896.17	-
(iv) Tax effect on utilisation of carry forward losses	-	(1,496.60)
(v) Tax effect of differential tax rates	-	224.19
(vi) Tax effect of various other items	1,269.78	1,873.78
<b>Total effect of Tax Adjustments</b>	<b>796.15</b>	<b>(2,137.42)</b>
(e) Tax expenses recognised during the year	-	(3,021.95)
	(e) = (d) - (c)	

(G) 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



## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### (H) Unrecognised deductible temporary differences, unused tax losses

Particulars	2023-24	2022-23
- Unused tax losses	16,142.57	6,201.00
<b>Total</b>	<b>16,142.57</b>	<b>6,201.00</b>

1

Expiry period	Unused Tax Loss (₹ Lakhs)
2024-25 to 2029-30	16,142.57

2 The Company has business loss which are allowed to be carried forward and set off against the available future taxable income under Income Tax Act, 1961. No Deferred Tax asset has been recognised on this considering no reasonable certainty.

### 42 Basic and Diluted Earnings Per Share (EPS) computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share":

Particulars		Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Basic EPS</b>			
Profit/ (Loss) after Tax as per Accounts (₹ lakhs)	A	2,278.36	(490.38)
Weighted Average Number of Equity Shares Outstanding	B	13,770.61	12,240.86
<b>Basic EPS (₹)</b>	<b>A/B</b>	<b>0.17</b>	<b>(0.04)</b>
<b>Diluted EPS</b>			
Profit/ (Loss) after Tax as per Accounts (₹ lakhs)		2,278.36	(490.38)
Add: Interest cost on CCD		1,102.44	777.12
Profit/ (Loss) after Tax as per Accounts (₹ lakhs) for diluted EPS	A	3,380.80	286.74
Weighted Average Number of Equity Shares Outstanding		13,770.61	12,240.86
Weighted Average Number of shares upon conversion of CCD		175.00	125.81
Weighted Average Number of Equity Shares Outstanding for Diluted EPS	B	13,945.61	12,366.67
<b>Diluted EPS* (₹)</b>	<b>A/B*</b>	<b>0.17</b>	<b>(0.04)</b>

\*Since the earnings / (loss) per share computation based on diluted weighted average number of shares is antidilutive, the basic and diluted earnings / (loss) per share is the same

### 43 Disclosures pursuant to EPC Contracts:

S. No	Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
1	Contract revenue recognised for the financial year	56,098.28	37,884.66
2	Aggregate amount of Contract costs incurred and recognized profits (less recognized losses) upto the reporting date	46,671.76	31,905.03
3	Advances received for contracts in progress	8,833.43	5,511.05
4	Retention amount by customers for contracts in progress	28,326.47	28,020.65
5	Gross amount due from customers for contract work (Asset)	1,02,276.27	80,598.49
6	Gross amount due to customers for contract work (Liability)	105.25	222.68

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### 44 Disclosure pursuant to Ind AS 19 "Employee Benefits"

#### (A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss	2023-24	2022-23
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 36)	183.27	197.83

#### (B) Defined benefit plans (Unfunded)

##### Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Investment Risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Interest risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Salary Escalation Risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic Risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

In respect of the plan in India, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at March 31, 2024 by Mr. Jayaraman, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

No other post-retirement benefits are provided to these employees.

i) Actuarial assumptions	2023-24	2022-23
Discount rate (per annum)	7.21%	7.20%
Rate of increase in Salary	5%	5%
Expected average remaining working lives of employees (years)	13.90	12.70
Attrition rate	3.00%	3.00%

#### ii) Changes in the present value of defined benefit obligation

	Gratuity		Long Term Compensated Absences	
	2023-24	2022-23	2023-24	2022-23
<b>Present value of obligation at the beginning of the year</b>	500.79	564.20	246.83	480.83
Interest cost	33.60	33.93	16.69	32.26
Past service cost				
Current service cost	45.85	42.42	34.25	139.01
Curtailments				
Settlements				

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

	Gratuity		Long Term Compensated Absences	
	2023-24	2022-23	2023-24	2022-23
Benefits paid	(68.24)	(196.14)	(30.17)	(75.43)
Actuarial gain on obligations	(50.90)	56.38	59.42	(329.84)
<b>Present value of obligation at the end of the year*</b>	<b>461.10</b>	<b>500.79</b>	<b>327.02</b>	<b>246.83</b>

\*Included in provision for employee benefits (Refer notes 25 and 36)

### iii) Expense recognized in the Statement of Profit and Loss

	Gratuity		Long Term Compensated Absences	
	2023-24	2022-23	2023-24	2022-23
Current service cost	33.60	33.93	34.25	139.01
Past service cost				
Interest cost	45.85	42.42	16.69	32.26
Expected return on plan assets				
Actuarial gain on obligations	(50.90)	56.38	59.42	(329.84)
Settlements				
Curtailments				
<b>Total expenses recognized in the Statement Profit and Loss</b>	<b>79.45</b>	<b>76.35</b>	<b>110.36</b>	<b>(158.57)</b>
<b>Total expenses recognized in OCI</b>	<b>(50.90)</b>	<b>56.38</b>		

### iv) Assets and liabilities recognized in the Balance Sheet:

	Gratuity		Long Term Compensated Absences	
	2023-24	2022-23	2023-24	2022-23
Present value of unfunded obligation as at the end of the year	(461.10)	(500.79)	(327.02)	(246.83)
Unrecognized actuarial (gains)/losses	-	-	-	-
<b>Unfunded net liability recognized in Balance Sheet*</b>	<b>(461.10)</b>	<b>(500.79)</b>	<b>(327.02)</b>	<b>(246.83)</b>

\*Included in provision for employee benefits (Refer notes 25 and 36)

### v) A quantitative sensitivity analysis for significant assumption as at 31 March 2024 is as shown below:

Impact on defined benefit obligation	2023-24	2022-23
Discount rate		
0.5% increase	(3.38%)	(3.08%)
0.5% decrease	3.80%	3.27%
Rate of increase in salary		
0.5% increase	3.60%	3.27%
0.5% decrease	(3.50%)	(3.08%)

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

vi) Maturity profile of defined benefit obligation Period	2023-24	2022-23
By the end of the First Year	29.32	105.03
Between Year 1 and Year 2	89.79	70.24
Between Year 2 and Year 3	64.51	20.37
Between Year 3 and Year 4	126.58	42.28
Between Year 4 and Year 5	134.34	76.82
Between Year 5 and Year 10	881.71	285.78

### 45 Disclosure in respect of leases pursuant to Indian Accounting Standard (Ind AS) 116, "Leases"

#### (A) Finance leases where Company is a lessee:

The following is the summary of practical expedients elected on application:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

The Company has lease contracts for its head office building and furniture and fixtures. lessee is restricted from assigning and subleasing the leased assets. The Company applies the "short term Lease" and "lease of Low value assets" recognition exemptions for these leases.

The effective interest rate for lease liabilities is 9%.

Maturity analysis of lease liabilities

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Within one year	101.20	98.45
After one year but not more than five years	139.35	163.30
More than five years	40.34	88.74

#### Amounts recognised in the Statement of Profit and Loss:

Particulars	As at 31 March 2024	As at 31 March 2023
Amortization expense of right-of-use assets	80.78	63.77
Interest expense on lease liabilities	28.66	29.06
Expense relating to short-term leases (included in other expenses)	67.33	68.86
<b>Total amount recognised in statement profit or loss</b>	<b>176.77</b>	<b>161.69</b>

#### Amounts recognised in statement of Cash Flows:

Particulars	As at 31 March 2024	As at 31 March 2023
Total Cash outflow for leases	98.46	58.19

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### 46 Disclosure of Related Parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

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

#### Entities exercising significant influence over the Company

Mark AB Capital Investment LLC (effective from 24<sup>th</sup> September 2022)

SVL limited (upto 23<sup>rd</sup> September 2022)

#### Subsidiary of Entites exercising significant influence over the Company

Mark AB Capital Investment India Private Limited( Effective from 24<sup>th</sup> September 2022)

#### Key management personnel

N K Suryanarayanan- Managing Director( effective from 24<sup>th</sup> September 2022)

T.Shivaraman - Managing Director (upto 19<sup>th</sup> September 2022)

M. Amjad Shariff - Joint Managing Director (Upto 19<sup>th</sup> September 2022)

Mr. R S Chandrasekharan- Chief Financial Officer

Mr. T.Sriraman- Company Secretary

Mr. Abdulla Mohammad Ibrahim Hassan Abdual- Chairman

Dr. Ravichandran Rajagopalan- Independent Director

Dr. Arun Kumar Gopalaswamy- Independent Director

Mr.Rajesh Kumar Bansal-Independent Director

Ms. Sundaram Gayathri-Independent Director

Mr.P.D Karandikar-Independent Director (Resigned with effect from 22<sup>nd</sup> September, 2022)

Mr.S. Babu-Non executive Director (Resigned with effect from 22<sup>nd</sup> September, 2022)

Ms.Chandra Ramesh- Independent Director (Resigned with effect from 23<sup>rd</sup> September, 2022)

Mr.K.S. Sripathi- Independent Director (Resigned with effect from 23<sup>rd</sup> September, 2022)

#### Joint Operations

Larsen & Toubro Limited Shriram EPC JV

Mokul Shriram EPC JV

Shriram EPC Eurotech Environmental Pvt Ltd - JV

SEPC DRS ITPL JV

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

	2023-24	2022-23
<b>(i) Entites exercising significant influence over the Company</b>		
<b>Mark AB Capital Investment LLC (efective from 24<sup>th</sup> September 2022)</b>		
Amount invested as Equity	-	35,000.00
<b>SVL Ltd (upto 23<sup>rd</sup> September 2022)</b>		
Transfer of Advances / Receivables	-	7,433.87
<b>(ii) Subsidiary of Entites exercising significant influence over the Company (Effective from 24<sup>th</sup> September 2022)</b>		
MARK AB Capital Investment India Private Limited (Effective from 24 <sup>th</sup> September 2022)		
Funds Received	4,000.00	900.00
<b>(iii) Key Management Personnel (KMP)</b>		
Compensation of key management personnel #	161.61	318.12
Loan given to key management personnel	35.00	-
Sitting fees paid to Independent & Non executive Directors	12.15	11.70
# Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.		

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

	2023-24	2022-23
<b>(iv) Joint Operations</b>		
<b>(a) Larsen &amp; Toubro Limited Shriram EPC JV</b>		
Company's share in Loss of Integrated Joint Ventures	-	10.36
<b>(b) Shriram EPC Eurotech Environmental Pvt Ltd - JV</b>		
Progressive Billings/ Revenue	34.13	121.00
<b>(c) SEPC DRS ITPL JV</b>		
Progressive Billings/ Revenue	301.35	102.00
All transactions with related parties are conducted at arm's length price under normal terms of business and all amounts outstanding are unsecured and will be settled in cash.		

**(C) Amount due (to)/from related party as on:**

(i) Particulars	2023-24	2022-23
<b>(Borrowings):</b>		
MARK AB Capital Investment India Private Limited (Effective from 24 <sup>th</sup> September 2022)	4,900.00	900.00
<b>(Payables):</b>		
Larsen & Toubro Limited Shriram EPC JV	0.09	0.90
<b>Receivables :</b>		
Mokul Shriram EPC JV	1,675.67	1,669.28
Amrit Environmental Technologies P Ltd	-	1,966.38

### 47 Disclosure pursuant to Ind AS 1 "Presentation of Financial Statements"

**(A) Current Assets expected to be recovered within twelve months and after twelve months from the reporting date**

	As at March 31, 2024			As at March 31, 2023		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Trade Receivables - Note 16	30,002.26	-	30,002.26	29,206.01	-	29,206.01
Other Current Financial Assets - Note 19	234.18	-	234.18	166.00	-	166.00

**(B) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date**

	As at March 31, 2024			As at March 31, 2023		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Acceptances - Note 28	8,429.51	-	8,429.51	9,605.31	-	9,605.31
Trade and Other Payables - Note 28	21,991.46	-	21,991.46	28,351.71	-	28,351.71
Other Current Financial Liabilities - Note 29	10,165.00	-	10,165.00	1,625.07	-	1,625.07

### 48 Segment reporting

The Chief Operating Decision Maker (CODM) reviews the operations of the Company for the year ended March 31, 2024 as one operating segment being Construction Contracts. Hence no separate primary segment information has been furnished herewith as required by Ind AS 108, "Operating segment". However, Geographical Segments being secondary segments are disclosed below :

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	31-Mar-24	31-Mar-23
<b>Rest of the World</b>		
Revenue	4,061.37	-
Assets	2,035.29	819.18
<b>India</b>		
Revenue	52,036.91	37,884.66
Assets	2,18,894.85	1,99,363.18
Capital Expenditure	5.38	13.91

### 49 Expenditure in Foreign Currency

Particulars	31-Mar-24	31-Mar-23
Professional & Consultancy Fees	2.93	19.29
Material Consumed in Execution of Engineering Contracts	722.77	-
Erection ,Construction & Operation Expenses	3,388.78	32.02
Travelling & Conveyance	0.39	4.68
Salaries and wages	5.82	-
Others	-	12.38
<b>Total</b>	<b>4,120.69</b>	<b>68.37</b>

### 50 Fair Value Measurement

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

#### 31-Mar-24

Particulars	Note	Carrying Amount					Fair Value			
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Investments at Fair Value through Other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
<b>Assets</b>										
<b>Financial Assets Measured at Fair Value</b>										
Investments	9	-	-	-	77.81	77.81	77.81	-	-	77.81
						-				
<b>Financial Assets not Measured at Fair Value*</b>						-				
Investments	9	-	-	-		-	-	-	-	-
Loans	10	696.17	-	-		696.17	-	-	-	-
Trade Receivables	11 & 16	46,607.75	-	-		46,607.75	-	-	-	-
Cash and Cash Equivalents	17	1,834.96	-	-		1,834.96	-	-	-	-
Other Bank balances	18	4,257.69	-	-		4,257.69	-	-	-	-
Other financial assets	12 & 19	1,264.65	-	-		1,264.65	-	-	-	-
<b>Total</b>		<b>54,661.22</b>	<b>-</b>	<b>-</b>	<b>77.81</b>	<b>54,739.03</b>	<b>77.81</b>	<b>-</b>	<b>-</b>	<b>77.81</b>
<b>Liabilities</b>										
<b>Financial Liabilities not Measured at Fair Value*</b>										
Non Current Borrowings	23	-	-	29,840.24		29,840.24	-	-	-	-
Current Borrowings	27	-	-	15,373.66		15,373.66	-	-	-	-



## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Note	Carrying Amount					Fair Value			
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Investments at Fair Value through Other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
Trade payables	28	-	-	30,420.97		30,420.97	-	-	-	-
Other financial liabilities	24 & 29	-	-	14,012.21		14,012.21	-	-	-	-
<b>Total</b>		-	-	<b>89,647.08</b>		<b>89,647.08</b>	-	-	-	-

### 31-Mar-23

Particulars	Note	Carrying Amount					Fair Value			
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Investments at Fair Value through Other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
<b>Assets</b>										
<b>Financial Assets Measured at Fair Value</b>										
Investments	9	-	-	-	40.93	40.93	40.93	-	-	40.93
						-				
<b>Financial Assets not Measured at Fair Value*</b>						-				
Investments	9	-	-	-	-	-	-	-	-	-
Loans	10	697.48	-	-	-	697.48	-	-	-	-
Trade Receivables	11 & 16	47,412.26	-	-	-	47,412.26	-	-	-	-
Cash and Cash Equivalents	17	3,307.04	-	-	-	3,307.04	-	-	-	-
Other Bank balances	18	1,730.33	-	-	-	1,730.33	-	-	-	-
Other financial assets	12 & 19	1,207.14	-	-	-	1,207.14	-	-	-	-
<b>Total</b>		<b>54,354.25</b>	-	-	<b>40.93</b>	<b>54,395.18</b>	-	-	-	-
<b>Liabilities</b>										
<b>Financial Liabilities not measured at fair value*</b>										
Non Current Borrowings	23	-	-	26,616.64	-	26,616.64	-	-	-	-
Current Borrowings	27	-	-	13,966.58	-	13,966.58	-	-	-	-
Trade payables	28	-	-	37,957.02	-	37,957.02	-	-	-	-
Other financial liabilities	24 & 29	-	-	5,649.33	-	5,649.33	-	-	-	-
<b>Total</b>		-	-	<b>84,189.57</b>		<b>84,189.57</b>	-	-	-	-

\* The company has not disclosed the fair value for Financial instruments mentioned above because their carrying amounts are a reasonable approximation of fair value.

### 51 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and financial instruments.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk.

#### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The net exposure to foreign currency in respect of recognized financial assets, recognized financial liabilities and derivatives is as follows:

- Forward exchange contracts entered into by the Company and outstanding as on March 31, 2024 - Nil (March 31, 2023- Nil)
- Foreign Currency exposure

Particulars	31-Mar-24		
	Currency	Amount in Foreign Currency (In Lakhs)	In ₹ lakhs
Bank Balances	IQD	2.43	0.16
	USD	1.43	119.47
	TZS	8.06	0.27
Trade Payables (including Payables on purchase of fixed assets)	AED	0.20	4.54
	USD	8.07	672.92
	EUR	8.93	803.46
Advance To Supplier	EUR	4.22	379.59
	USD	2.59	215.93
Trade and Other Receivables	USD	35.98	2,999.65
	TZS	4.00	0.13

Particulars	31-Mar-23		
	Currency	Amount in Foreign Currency (In Lakhs)	In ₹ lakhs
Bank Balances	IQD	2.43	0.13
Trade Payables (including Payables on purchase of fixed assets)	EURO	5.74	513.39
Trade and Other Receivables	USD	22.18	1,822.12

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's import payments and cost of borrowings.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents Management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The following table details the Company's sensitivity movement in the increase / decrease in foreign currencies exposures (net):

#### USD Impact

Particulars	March 31, 2024
Profit or Loss	53.24
Equity	53.24

#### IQD Impact

Particulars	March 31, 2024
Profit or Loss	0.00
Equity	0.00

#### EUR Impact

Particulars	March 31, 2024
Profit or Loss	8.48
Equity	8.48

#### TZS Impact

Particulars	March 31, 2024
Profit or Loss	0.01
Equity	0.01

### (B) Credit risk

The credit risk to the company arises from two sources:

- a) Customers, who default on their contractual obligations, thus resulting in financial loss to the Company

Company evaluates the credentials of a customer at a very early stage of the bid. Company has adopted a policy of 3 tier verification before participating for any bid. The first step of such verification includes verification of customer credentials. The company, as part of verification of the customer credentials, ensures the compliance with the following criterion

- (i) Customer's financial health by examining the audited financial statements
- (ii) Whether the Customer has achieved the financial closure for the work for which the company is bidding
- (iii) Where the customer is Public Sector Undertaking, sanction and availability of adequate financial resources for the proposed work.

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

Company makes provision on its financial assets, on every reporting period, as per Expected Credit Loss Method. The provision is made separately for each financial assets of each business line. The percentage at which the provision is made, is determined on the basis of historical experience of such provisions, modified to the current and prospective business and customer profile.

Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. Majority of the customers of the company comprise of Public Sector Undertakings, with whom the company does not perceive any credit risk. As regards the customers from private sector, company carries out financial evaluation on regular basis and provides for any amount perceived as non realisable, in the books of accounts.

- b) Non certification by the customers, either in part or in full, the works billed as per the contract, being non claimable cost as per the terms of the contract with the customer

Non certification of works billed The Company has contract claims from customers including costs on account of account of delays / changes in scope / design by them etc. which are at various stages of discussions / negotiations or under arbitrations. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims

The Company provides for doubtful receivables/advances and expected credit loss based on 12 months and lifetime expected credit loss basis for following financial assets:

### 31-Mar-24

Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	39,598.01	(9,595.75)	30,002.26
Contract Assets	91,975.82	-	91,975.82
Advances to Suppliers	14,865.05	(1,640.30)	13,224.75

### 31-Mar-23

Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	38,570.95	(9,364.94)	29,206.01
Contract Assets	78,215.17	(4,968.58)	73,246.59
Advances to Suppliers	16,490.93	(1,640.30)	14,850.63

### Reconciliation of Provision and Expected Credit Loss

Particulars	Trade receivables	Contact Asset	Advances to suppliers
<b>Provision and Expected Credit Loss on March 31, 2023</b>	<b>9,364.94</b>	<b>4,968.58</b>	<b>1,640.30</b>
Moved to Non current	0.00	(4,968.58)	-
Allowance for Doubtful Debts	230.81	-	-
<b>Provision and Expected Credit Loss on March 31, 2024</b>	<b>9,595.75</b>	<b>-</b>	<b>1,640.30</b>

### (C) Liquidity risk

Company being an EPC contractor, has a constant liquidity pressures to meet the project requirements. These requirements are met by a balanced mix of borrowings and project cash flows. Cash flow forecast is made for all projects on monthly basis

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

and the same are tracked for actual performance on daily basis. Shortfall in cash flows are matched through short term borrowings and other strategic financing means. The daily project requirements are met by allocating the daily aggregated cash flows among the projects. Company has established practice of prioritising the site level payments and regulatory payments above other requirements.

The table below summarizes the maturity profile of the Company's financial liabilities:

<b>31-Mar-24</b>	<b>Within 12 months</b>	<b>More than 12 months</b>	<b>Total</b>
Short term borrowings	15,373.66	-	15,373.66
Long-term borrowings	-	29,840.24	29,840.24
Trade payables	30,420.97		30,420.97
Other financial liability	10,165.00	3,847.21	14,012.21
	<b>55,959.64</b>	<b>33,687.45</b>	<b>89,647.09</b>

<b>31-Mar-23</b>			
Short term borrowings	13,966.58		13,966.58
Long-term borrowings	-	26,616.64	26,616.64
Trade payables	37,957.02	-	37,957.02
Other financial liability	1,625.07	4,024.26	5,649.33
	<b>53,548.67</b>	<b>30,640.90</b>	<b>84,189.57</b>

### 52 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors Net Debt to Capital ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of term loans and cash credits. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		<b>31-Mar-24</b>	<b>31-Mar-23</b>
Total equity	(i)	1,21,188.89	1,08,809.16
Total debt	(ii)	45,213.91	40,583.22
Cash and Cash Equivalents	(iii (a))	1,834.96	3,307.04
Other bank balances	(iii (b))	<b>4,257.69</b>	<b>1,730.33</b>
Net Debt	(iv) = (ii) - (iii(a)- (iii(b)))	39,121.26	35,545.85
Total Capital	(v) = (i) + (iv)	1,60,310.15	1,44,355.01
Net Debt to Capital ratio	(iv) / (v)	0.24	0.25

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### 53 Disclosures pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

#### Movement in Provisions:

Particulars	Provision for Expected Credit Losses		Provision for Advances
	Current	Non-Current	Current
<b>Opening Balance as on April 01, 2023</b>	<b>14,333.51</b>	<b>14,333.26</b>	<b>1,640.30</b>
Add: Additional Provision during the year	230.81	585.73	-
Amount written off		(10,214.89)	
Transfer between current and non current	(4,968.58)	4,968.58	
<b>Closing Balance as on March 31, 2024</b>	<b>9,595.75</b>	<b>9,672.68</b>	<b>1,640.30</b>

### 54 Assets under charge for borrowings

The carrying amounts of assets under charge for current and non-current borrowings are:

	31-Mar-24	31-Mar-23
Current assets		
Trade receivables	30,002.26	29,206.01
Contract asset	91,975.82	73,246.59
Cash and cash equivalents	1,834.96	3,307.04
Other bank balances	4,257.69	1,730.33
Other Financial Assets	234.18	166.00
Other current assets	18,784.54	19,692.41
<b>Total Current assets under charge</b>	<b>1,47,089.45</b>	<b>1,27,348.38</b>
<b>Non-Current assets</b>	<b>73,840.68</b>	<b>72,833.98</b>
<b>Total Assets under charge</b>	<b>2,20,930.13</b>	<b>2,00,182.36</b>

Primarily Secured by First Paripassu charge on Pooled Assets ie., all movable and immovable assets (fixed, current and non-current) of the company and Collaterally secured by Equitable Mortgage of Land and Buildings, Pledge of Equity Shares of the Company and Corporate Guarantee of MARK AB LLC Dubai, Mark AB Capital Investments India Private Limited. The Corporate Guarantees of SVL Ltd and SVL Trust gets released on March 31, 2024 upon completion of 18 months from the date of RP, as there was no default for a consecutive period of 12 months as defined in RBI Circular dated 7<sup>th</sup> June 2019.

The quarterly statements filed by the Company with the banks and financial institutions are in agreement with the books of accounts.

### 55 Commitments

	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for	Nil	Nil

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

### 56 Contingent liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
a) Claims against the Company not acknowledged as debts*	10,036.55	10,188.40
b) Central Excise, Service Tax and customs Duties demands contested in Appeals , not provided for*	779.77	408.00
c) Disputed VAT/ Central Sales tax demands contested in Appeals, not provided for*	2,038.04	3,166.00
d) Bank Guarantees given to Customers for performance and advances #	37,613.23	33,636.06

\*Management is confident of winning the appeals in respect of the above , hence no provision has been made. Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

#In respect of matters at (d), the cash outflows, if any, could generally occur up to two years, being the period over which the validity of the guarantees extends.

**57** There are no transactions with vendors under the Micro, Small and Medium Enterprises Development Act, 2006, this has been determined on the basis of information available with the Company

**58** 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 ₹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. Supreme Court vide Order dated 17.05.2024 directed the respondents to remit ₹12,500 lakhs with Interest @ 7.25% pa from 07.09.2021 till the date of payment, on or before July 29, 2024 being the date of next hearing. 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.

The management is confident that there will be no liability which would devolve on the Company from the proceedings as the Company is fully indemnified by virtue of the said Inter-se arrangement.

**59** Mokul Shriram EPC JV (JV Company) where SEPC Limited is a JV partner, 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 ₹ 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.

**60** The Company has made net profit during the year ended March 31, 2024 amounting to ₹2,278.36 lakhs and as of that date has accumulated losses aggregating ₹ 2,13,317.52 Lakhs. Considering the positive developments of implementation of resolution plan approved in the previous year, completion of Rights issue, 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 statements are prepared on a going concern basis.



## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

**61** The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**62 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,**

The Company does not have transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the year

**63 Utilisation of Borrowed funds and Securities Premium:**

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**64 Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**65 Undisclosed income**

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)"

**66 Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**67 Registration of charges or satisfaction with Registrar of Companies (ROC)**

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**68 Subsequent events**

- 1) The Board of directors in their meeting held on January 29, 2024, have approved the issuance of equity shares of the Company for an amount not exceeding ₹20,000 lakhs by way of rights issue to the eligible equity shareholders in accordance with the applicable laws, including Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2015, Companies Act 2013 and Rules made thereunder from time to time, subject to regulatory and statutory approvals. Consequently, on April 17, 2024, the Company has filed the Draft letter of Offer with the Securities and Exchange Board of India ('SEBI') for which requisite regulatory approval is awaited.

## Notes forming part of the Consolidated Financial Statements for the Year ended March 31, 2024

(Amount in ₹ lakhs, unless otherwise stated)

- 2) Subsequent to year ended March 31, 2024, the Company has newly incorporated a wholly owned subsidiary namely - SEPC Arabia Limited One Person 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.
- 69** The Board, duly taking into account all the relevant disclosures made has approved these financial statements in its meeting held on May 28, 2024.
- 70** The figures for the previous year have been reclassified/ regrouped wherever necessary for better understanding and comparability.

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date  
**For MSKA & Associates**  
**Chartered Accountants**  
Firm Registration No. 105047W

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

**Geetha Jeyakumar**  
Partner  
Membership No: 029409

**N K Suryanarayanan**  
Managing Director & CEO  
DIN: 01714066

**R Ravichandran**  
Director  
DIN: 01920603

**T.Sriraman**  
Company Secretary  
Membership No:A68102

**R S Chandrasekharan**  
Chief Financial Officer

**Place: Chennai**  
**Date: May 28, 2024**

**Place: Chennai**  
**Date: May 28, 2024**



## *Disclaimer*

In this annual report, we have disclosed forward-looking information to help investors comprehend our projects and take informed investment decisions. This report is based on certain forward-looking statements that we periodically make to anticipate results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



**SEPC Limited**  
**(formerly Shriram EPC Limited)**

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**CIN: L74210TN2000PLC04516**